RAPALA VMC

CORP.

FINANCIAL STATEMENT RELEASE Q4/2015

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RAPALA VMC CORPORATION'S ANNUAL ACCOUNTS 2015: STABLE SALES WITH IMPROVEMENT IN COMPARABLE PROFITABILITY

October-December in brief:

- Net sales were 59.7 MEUR, down 3% from previous year (61.5). With comparable exchange rates sales down 6%.
- Comparable operating profit was 1.3 MEUR (-0.2).
- Cash flow from operations was -0.3 MEUR (4.0).
- Earnings per share was 0.00 EUR (-0.01).

January-December in brief:

- Net sales were 278.2 MEUR, up 2% from previous year (273.2). With comparable exchange rates sales at last year level.
- Comparable operating profit was 25.3 MEUR (20.9), up 21%.
- Cash flow from operations was 15.6 MEUR (21.7), down 28%.
- Earnings per share was down to 0.17 EUR (0.24) due to decline in reported operating profit.
- Outlook for 2016: Assuming comparable translation exchange rates, 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 2015 levels.
- Dividend proposal 0.15 EUR (0.20 EUR) per share, 86% of earnings per share.

President and CEO Jorma Kasslin: "In 2015 our top line grew 2% supported by currencies, even though we lost a five million dollar ice fishing distribution business in USA this year. Our sales were strong in our core Rapala lure and VMC hook businesses. Our ice fishing business suffered in fourth quarter due to mild weathers. In Russia the situation continued to be extremely challenging throughout the year. Russian sales declined almost 15 million EUR, but the business is still healthy and profitable.

Our comparable operating profit improved considerably from last year, supported by improvement in performance of our Batam lure factory, which was one of the key focus areas of the management during 2015. In Europe our distribution units suffered from the strengthening of US dollar, which had negative impact on our third party product margins. The decline in reported operating profit was impacted by currency derivatives where we recognized big gains in latter part of last year.

Challenging trading conditions in many markets and too high buffer inventories relating to the Batam ramp-up prevented us from achieving our targets for inventory reduction during 2015. Inventory management together with acceleration of the profitable growth strategy will be key focus areas of the new management organization, which was put in place during third quarter of the year."

Key figures

MEUR	**IV 2015**	IV 2014	**change %**	**I-IV 2015**	I-IV 2014	**change %**
Net sales	**59.7**	61.5	**-3%**	**278.2**	273.2	**+2%**
Operating profit	**0.7**	1.2	**-42%**	**21.0**	22.9	**-8%**
% of net sales	**1.1%**	1.9%		**7.6%**	8.4%	
Comparable operating profit *	**1.3**	-0.2	**750%**	**25.3**	20.9	**+21%**
% of net sales	**2.1%**	-0.3%		**9.1%**	7.6%	
Cash flow from operations**	**-0.3**	4.0	**-108%**	**15.6**	21.7	**-28%**
Gearing %	**77.3%**	73.2%		**77.3%**	73.2%	
EPS, EUR	**0.00**	-0.01	**100%**	**0.17**	0.24	**-29%**

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

Market environment

As the Rapala Group's direct distribution operations expand over 35 countries around the world, the market conditions varied between different regions throughout the year. In the US the economy and weathers remained very stable, which created an excellent foundation for good business. Many European countries also enjoyed favorable summer weather which helped fishing tackle sales. On the other hand the Nordic countries suffered from poor summer weather which had negative impact on the sales. The late arrival of winter affected ice fishing sales negatively in North America and the Nordic countries in the fourth quarter.

The political and economic unrest in Russia and Ukraine reflected very negatively on the respective markets. While many currencies fluctuated throughout the year, the strengthening of the US Dollar had the biggest effect on the Group's business by supporting the US business while hurting the profitability in other countries.

Regardless of the turbulent business environment, the Group's overall sales were stable and the comparable profitability improved.

Business Review October-December 2015

The Group's net sales for the fourth quarter were down 3%. Changes in translation exchange rates increased sales by 2.3 MEUR of the increase in net sales. Correspondingly also with comparable translation exchange rates quarterly net sales were down 6% from last year.

North America

While the weather of 2015 was good for the traditional fishing tackle business, unseasonably warm end of the year and consequently the lack of ice had a negative effect on ice fishing sales in the fourth quarter. The loss of a distribution agency in the US further reduced ice fishing sales by close to 3 MUSD in the last quarter compared to 2014. The strong US dollar had a positive impact on the business in the US, while simultaneously affecting negatively the business in Canada, where the economy is suffering. The sales in North America were down with comparable exchange rates.

Nordic

The Group's Nordic sales were up from last year, driven by improved winter sport presales, recovery of the hunting business in Sweden, and inventory cleaning and product portfolio streamlining projects in Norway. Due to warm weather and poor ice conditions the ice fishing sales were behind last year. In the end of year the Norwegian warehousing operations were transferred to Sweden and these two markets will be served from one merged warehouse.

Rest of Europe

The business environment in the whole region was very challenging and the Group's overall sales in the Rest of Europe were further hurt by the economic and political unrest in Russia and Ukraine. With comparable exchange rates the sales were down from last year; excluding Russia and Ukraine the sales decreased 6% from last year. While Spain and Portugal showed growth in sales, the overall sentiment in the region was reserved.

Rest of the World

Rest of the World sales were down. While majority of the Asia-Pacific region suffered from uncertainties and a decreasing trend, the sales were supported by very positive development boosted by new product lines in South Africa. The sales also grew in Chile, Mexico and South Korea.

External Net Sales by Area

MEUR	**IV 2015**	IV 2014	**change %**	**Comparable change %**
North America	**25.8**	24.7	**+4%**	**-7%**
Nordic	**10.5**	9.7	**+8%**	**+8%**
Rest of Europe	**13.8**	17.3	**-20%**	**-17%**
Rest of the World	**9.4**	9.8	**-4%**	**-3%**
Total	**59.7**	61.5	**-3%**	**-6%**

Business Review January-December 2015

The Group's net sales for the year were up 2%. Changes in translation exchange rates increased sales by approximately 6.2 MEUR, US Dollar and Russian Ruble impact largely offsetting each other. With comparable translation exchange rates full year net sales were at last year's level.

North America

Overall the year 2015 was positively stable in the US, highlighted by strong new product introductions and positive development in group-branded lure and other summer fishing sales. The increase was partially offset with the loss of a distribution agency in the US market that constituted 5 MUSD sales last year, and the late arrival of winter that reduced ice fishing sales. While the strong US dollar and low fuel prices resulted in positive development in the domestic US market, the comparable sales in North America decreased slightly. The challenges in the Canadian market affected sales negatively.

Nordic

Nordic sales were up. The positive development was result of a new hunting dealership in Finland and improved fishing and hunting sales in Sweden. Winter sport sales were up in the first and fourth quarter, compared to the very low levels last year. The cold and rainy summer had a negative impact on the summer fishing sales, especially in Norway. Warm last quarter weather slowed down the ice fishing sales and replenishment orders. Denmark suffered from tough business environment throughout the year.

Rest of Europe

The economic difficulties continued in Russia, affecting the sales badly. While the Group's operations in Russia are still profitable and healthy, the business volumes have come down to a half since the crisis started two years ago. Sales in Rest of Europe were down. Excluding Russia and Ukraine the regions comparable sales increased 3% from last year despite the challenging business environment. The increase was led by strong-performing France. Spain has been struggling with an economic crisis for years, but is now recovering. The Group has started to expand into hunting distribution in Spain and the Baltic countries, which shows positive growth.

Rest of the World

The Rest of the World sales varied geographically. The most positive development was seen in South Africa. Sales grew also in Malaysia, South Korea, Thailand, Chile and Mexico. The economic situation and business environment in Brazil was difficult. Additional challenges were seen in the Group's performance in Australia, Japan and Indonesia. Overall comparable sales for Rest of the World were affected by currencies, but it was still above last year.

External Net Sales by Area

MEUR	**I-IV 2015**	I-IV 2014	**change %**	**Comparable change %**
North America	**99.2**	86.1	**+15%**	**-1%**
Nordic	**56.2**	54.9	**+2%**	**+4%**
Rest of Europe	**86.9**	98.7	**-12%**	**-4%**
Rest of the World	**35.9**	33.5	**+7%**	**+3%**
Total	**278.2**	273.2	**+2%**	**0%**

Financial Results and Profitability

Comparable (excluding non-recurring items and mark-to-market valuations of operative currency derivatives) operating profit increased notably from last year for the quarter and full year. Changes in translation exchange rates, especially the weakening of Ruble, burdened quarterly comparable operating profit by approximately 0.4 MEUR and full year operating profit by approximately 1.4 MEUR. With comparable translation exchange rates comparable operating profit was 1.8 MEUR above of last year's level for the quarter and 5.9 MEUR ahead of last year for the full year period.

Comparable operating profit margin was 2.1% (-0.3) for the quarter and 9.1% (7.6) for the year. Fourth quarter profitability was supported by better gross margin and stable fixed costs compared to last year. Quarter and full year profitability were both supported by stronger sales of group-branded products in USA as well as continuing recovery of the Asian manufacturing operations' profitability, while negatively impacted by stronger US dollar lowering the margins of third party products and negative sales development in Russia.

Reported operating profit was down for the quarter and full year. Respectively reported operating profit margin was 1.1% (1.9) for the quarter and 7.6% (8.4) for the year. Reported operating profit included loss on non-recurring items of 1.0 MEUR (0.9) for the quarter and 2.3 MEUR (1.8) for the year related to non-cash write-downs originating from the transfer of manufacturing from China to Batam, Indonesia, and costs relating to closing down Norwegian warehousing operations. Mark-to-market valuation of operative currency derivatives had a significant impact on the reported operating profit compared to last year, being 0.4 MEUR gain (2.3 gain) for the quarter and 2.1 MEUR loss (3.8 gain) for the year.

Total financial (net) expenses decreased from last year's level to 1.1 MEUR (1.5) for the quarter and 6.8 MEUR (7.2) for the year. Financial items were impacted by the net foreign exchange expenses of 0.2 MEUR gain (0.6 loss) for the quarter and 3.3 MEUR loss (3.4 loss) for the year. Net interest and other financing expenses were 1.2 MEUR (0.8) for the quarter and decreased from last year's level to 3.5 MEUR (3.8) for the full year.

Net profit was above last year for the quarter but behind last year for the full year. Earnings per share were 0.00 EUR (-0.01) for the quarter and 0.17 EUR (0.24) for the full 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. Quarterly income taxes were impacted by changes in deferred taxes while full year income taxes were burdened by loss making units. Last year full year 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 increased from last year and totaled 0.0 MEUR (-0.6) for the quarter and 1.4 MEUR (1.0) for the full year.

Key figures

MEUR	**IV 2015**	IV 2014	**change %**	**I-IV 2015**	I-IV 2014	**change %**
Net sales	**59.7**	61.5	**-3%**	**278.2**	273.2	**+2%**
Operating profit	**0.7**	1.2	**-42%**	**21.0**	22.9	**-8%**
Comparable operating profit *	**1.3**	-0.2	**750%**	**25.3**	20.9	**+21%**
Net profit	**0.0**	-0.8	**100%**	**8.1**	10.2	**-21%**

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

Segment Review

Group Products

Fourth quarter and full year sales were negatively impacted by lower ice fishing sales, while supported by better sales of winter sports products. Strong campaigns and new product launches in the US supported by the strong US dollar improved the Rapala lure and VMC hook sales for the whole year. The weakening Russian Ruble and economic crisis in the country continued to reduce the Group Products' sales significantly throughout the year. Fourth quarter operating profit for Group Products improved notably from last year driven by lures and hooks. Full year operating profit improved from last year supported by increased sales and better profitability in the US. The profitability of the Asian manufacturing operations improved significantly in the latter half of the year.

Third Party Products

Fourth quarter and full year sales of Third Party Products continued to decrease from last year. Similarly third party fishing and especially ice fishing sales were lower than last year due to losing a distribution dealership in the US. Full year hunting products sales increased in Finland and Sweden. The economic unrest in Russia and Ukraine caused majority of the decrease in Third Party Product sales throughout the year.

Operating profit for Third Party Products was down from last year both for the quarter and full year following the reduced sales and unfavorable exchange rates' impact on purchases.

Net Sales by Segment

MEUR	IV 2015	IV 2014	change %	Comparable change %
Group Products	**40.2**	40.0	**+1%**	**-4%**
Third Party Products	**19.5**	21.5	**-9%**	**-11%**
Eliminations	**0.0**	0.0		
Total	**59.7**	61.5	**-3%**	**-6%**

MEUR	I-IV 2015	I-IV 2014	change %	Comparable change %
Group Products	**184.7**	171.3	**+8%**	**+2%**
Third Party Products	**93.5**	102.0	**-8%**	**-4%**
Eliminations	**0.0**	0.0		
Total	**278.2**	273.2	**+2%**	**0%**

Operating profit by Segment

MEUR	IV 2015	IV 2014	change %	I-IV 2015	I-IV 2014	change %
Group Products	**2.3**	1.7	**+35%**	**18.1**	15.0	**+21%**
Third Party Products	**-1.6**	-0.6	**-167%**	**2.9**	7.9	**-63%**
Total	**0.7**	1.2	**-42%**	**21.0**	22.9	**-8%**

Financial position

Cash flow from operations decreased from last year's strong levels being -0.3 MEUR (4.0) for the quarter and 15.6 MEUR (21.7) for the year. Quarterly and full year cash flow was burdened by change in working capital driven by timing of payables. Net change in working capital amounted to 1.0 MEUR (2.9) for the quarter and -3.3 MEUR (1.5) for the year.

Inventories increased slightly by 2.4 MEUR from last December amounting to 116.2 MEUR (113.8), of which 0.5 MEUR is related to change in translation exchange rates. Increase in inventories was driven by transfer of production from China to Indonesia and challenging trading conditions resulting in 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 2.4 MEUR (1.6) for the quarter and 8.6 MEUR (8.1) for the year. Normal operative capital expenditure was 3.5 MEUR (2.7) for the quarter and 9.1 MEUR (8.5) for the year. Fourth quarter investing activities included 1.1 MEUR (1.0) annual installment received related to the 2011 disposal of the gift business. Full year investing activities included the last installment of the acquisition of the Sufix brand of 0.9 MEUR (0.8).

Liquidity position of the Group was good. Undrawn committed long-term credit facilities amounted to 79.9 MEUR at the end of the period. Gearing and net interest-bearing debt increased from last year and equity-to-assets was slightly above last year's level. Following the lower reported EBITDA and increased net interest bearing debt, the Group had agreed with its lenders on higher covenant levels for December 31, 2015 and March 31, 2016 and expects to comply with these covenant levels.

Key figures

MEUR	**IV 2015**	IV 2014	**change %**	**I-IV 2015**	I-IV 2014	**change %**
Cash flow from operations *	**-0.3**	4.0	**-108%**	**15.6**	21.7	**-28%**
Net interest-bearing debt at end of period	**108.2**	99.9	**+8%**	**108.2**	99.9	**+8%**
Gearing %	**77.3%**	73.2%		**77.3%**	73.2%	
Equity-to-assets ratio at end of period, %	**44.7%**	44.1%		**44.7%**	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 2015 strategy implementation continued in various areas.

During third quarter the Group announced changes in its management organization. The new management structure will put more focus on managing and improving the end-to-end performance of the Group's businesses, consolidating the reporting lines of geographical regions and increasing the coordination between the Group's brands. The role of global supply chain management is reinforced to achieve significant reductions in the Group's working capital levels. Planning and implementation of new actions started in the end of the year to achieve acceleration in the profitable growth strategy and improvement of the capital efficiency.

Throughout 2015 the Group put a lot of attention and resources to its Asian lure manufacturing unit in Batam, Indonesia, to develop the business and operations in order to exploit the strengths and capture the benefits of this unit. The performance of the Batam operations clearly improved during the year and further improvements in terms of production efficiencies, quality and new manufacturing techniques can still be expected in the future. The 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 throughout 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 contributors to the value and commercial success of the brands. This was also taken into account in the new management organization by specifically appointing a group level product development director to coordinate the Group's lure product development and innovations on global basis.

The most important product launch in 2015 was the introduction of the new Rapala Shadow Rap lure, which together with new Rapala accessory and Sufix line products received awards in the European trade show. Introduction of new hero lures is in the pipeline and they will be released to the US market early 2016. In addition to Rapala, the Group is also putting lot of focus on Storm lures manufactured in the Batam factory.

Organization and Personnel

Average number of personnel for the fourth quarter was 3 228 (2 694) and 3 078 (2 716) for the year, increase coming mainly from expansion of lure manufacturing operations in Batam and reduction of outsourcing in China. At the end of December, the number of personnel was 3 159 (2 822).

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

The Group's outlook for 2016 is stable.

New product introductions and low fuel prices are expected to support consumer spending on fishing tackle in the biggest market in the USA. Simultaneously the outlook for the Russian market is very uncertain. In Europe competition is expected to tighten.

The sales of winter sports and ice fishing products are partly dependent on weather conditions and 2015/2016 season has started with somewhat unfavorable conditions.

The 80 year anniversary of Rapala Lures will be celebrated with special sales and marketing campaigns.

The operations of the Batam manufacturing unit have stabilized and are expected to further support Group's profitability. Inventory and fixed cost management will be in the Group's focus in 2016.

Assuming comparable translation exchange rates, 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 2015 levels.

Proposal for profit distribution

The Board of Directors proposes to the Annual General Meeting that a dividend of 0.15 EUR (0.20 EUR) per share is distributed from the Group's distributable equity and any remaining distributable funds are allocated to retained earnings. At December 31, 2015 the distributable equity totaled to 29.2 MEUR.

No material changes have taken place in the Group's financial position after the end of the financial year. The Group's liquidity is good and the view of the Board of Directors is that the distribution of the proposed dividend will not undermine this liquidity.

Financial Statements and Annual General Meeting

Financial Statements for 2015 and Corporate Governance Statement will be published in the beginning of week 10 commencing on March 7, 2016. Annual General Meeting is planned to be held on April 1, 2016.

Rapala VMC Corporation changes its reporting practice and will not publish first and third quarter interim reports starting from January 1, 2016. Instead, the Group will release a Trading Report for the first and third quarter of the year.

First quarter Trading Report 2016 will be published on April 28, 2016.

Helsinki, February 9, 2016

Board of Directors of Rapala VMC Corporation

For further information, please contact:

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A conference call on the quarter result will be arranged today at 3:00 p.m. Finnish time (2:00 p.m. CET). Please dial +44 (0)20 3367 9433 or +1 917 286 8055 or +358 (0)9 2310 1675 (pin code: 660197#) 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: 4384034). Financial information and teleconference replay facility are available at www.rapalavmc.com.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

STATEMENT OF INCOME MEUR	**IV** **2015**	IV 2014	**I-IV** **2015**	I-IV 2014
Net sales	**59.7**	61.5	**278.2**	273.2
Other operating income	**0.6**	0.4	**1.0**	1.0
Materials and services	**28.5**	30.2	**130.9**	128.1
Personnel expenses	**17.3**	16.0	**68.4**	65.6
Other costs and expenses	**11.9**	12.5	**52.3**	50.8
Share of results in associates and joint ventures	**-0.1**	-0.1	**0.4**	0.2
EBITDA	**2.4**	3.0	**28.1**	30.0
Depreciation, amortization and impairments	**1.7**	1.9	**7.1**	7.1
Operating profit (EBIT)	**0.7**	1.2	**21.0**	22.9
Financial income and expenses	**1.1**	1.5	**6.8**	7.2
Profit before taxes	**-0.4**	-0.3	**14.2**	15.7
Income taxes	**-0.4**	0.6	**6.1**	5.5
Net profit for the period	**0.0**	-0.8	**8.1**	10.2
Attributable to:				
Equity holders of the company	**0.0**	-0.3	**6.7**	9.2
Non-controlling interests	**0.0**	-0.6	**1.4**	1.0
Earnings per share for profit attributable to the equity holders of the company:				
Earnings per share, EUR (diluted = non-diluted)	**0.00**	-0.01	**0.17**	0.24

STATEMENT OF COMPREHENSIVE INCOME MEUR	**IV** **2015**	IV 2014	**I-IV** **2015**	I-IV 2014
Net profit for the period	**0.0**	-0.8	**8.1**	10.2
Other comprehensive income, net of tax				
Change in translation differences*	**0.6**	-1.0	**5.5**	4.7
Gains and losses on cash flow hedges*	**0.2**	0.1	**0.4**	0.2
Gains and losses on hedges of net investments*	**0.2**	0.0	**-2.9**	0.1
Actuarial gains (losses) on defined benefit plan	**0.1**	-0.2	**0.1**	-0.2
Total other comprehensive income, net of tax	**1.2**	-1.0	**3.2**	4.8
Total comprehensive income for the period	**1.2**	-1.9	**11.3**	15.1
Total comprehensive income attributable to:				
Equity holders of the Company	**1.7**	-0.4	**11.0**	15.3
Non-controlling interests	**-0.5**	-1.5	**0.3**	-0.2

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

STATEMENT OF FINANCIAL POSITION	**Dec 31**	Dec 31
MEUR	**2015**	2014
ASSETS		
Non-current assets		
Intangible assets	**78.2**	74.4
Property, plant and equipment	**33.9**	32.0
Non-current assets		
Interest-bearing	**2.8**	3.0
Non-interest-bearing	**11.8**	11.5
	126.7	120.8
Current assets		
Inventories	**116.2**	113.8
Current assets		
Interest-bearing	**1.0**	1.1
Non-interest-bearing	**58.1**	62.3
Cash and cash equivalents	**11.4**	12.2
	186.7	189.4
Total assets	**313.4**	310.3
EQUITY AND LIABILITIES		
Equity		
Equity attributable to the equity holders of the company	**131.5**	128.3
Non-controlling interests	**8.5**	8.2
	140.0	136.5
Non-current liabilities		
Interest-bearing	**58.6**	72.3
Non-interest-bearing	**13.4**	13.3
	72.0	85.5
Current liabilities		
Interest-bearing	**64.8**	43.9
Non-interest-bearing	**36.6**	44.2
	101.5	88.2
Total equity and liabilities	**313.4**	310.3

	IV	IV	**I-IV**	I-IV
KEY FIGURES	**2015**	2014	**2015**	2014
EBITDA margin, %	**4.0%**	4.9%	**10.1%**	11.0%
Operating profit margin, %	**1.1%**	1.9%	**7.6%**	8.4%
Return on capital employed, %	**1.1%**	2.0%	**8.7%**	9.8%
Capital employed at end of period, MEUR	**248.1**	236.5	**248.1**	236.5
Net interest-bearing debt at end of period, MEUR	**108.2**	99.9	**108.2**	99.9
Equity-to-assets ratio at end of period, %	**44.7%**	44.1%	**44.7%**	44.1%
Debt-to-equity ratio at end of period, %	**77.3%**	73.2%	**77.3%**	73.2%
Earnings per share, EUR (diluted = non-diluted)	**0.00**	-0.01	**0.17**	0.24
Equity per share at end of period, EUR	**3.43**	3.34	**3.43**	3.34
Average personnel for the period	**3 228**	2 694	**3 078**	2 716

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

STATEMENT OF CASH FLOWS	**IV**	IV	**I-IV**	I-IV
MEUR	**2015**	2014	**2015**	2014
		Restated**		Restated**
Net profit for the period	**0.0**	-0.8	**8.1**	10.2
Adjustments to net profit for the period *	**2.3**	3.1	**21.8**	17.1
Financial items and taxes paid and received	**-3.6**	-1.2	**-11.1**	-7.1
Change in working capital	**1.0**	2.9	**-3.3**	1.5
Net cash generated from operating activities	**-0.3**	4.0	**15.6**	21.7
Investments	**-3.5**	-2.7	**-9.1**	-8.5
Proceeds from sales of assets	**0.0**	0.1	**0.2**	0.4
Sufix brand acquisition	**-**	-	**-0.9**	-0.8
Acquisition of other subsidiaries, net of cash	**-**	-	**-**	-0.2
Proceeds from disposal of subsidiaries, net of cash	**1.1**	1.0	**1.1**	1.0
Change in interest-bearing receivables	**-**	0.0	**0.0**	0.0
Net cash used in investing activities	**-2.4**	-1.6	**-8.6**	-8.1
Dividends paid to parent company's shareholders	**-**	-	**-7.7**	-9.2
Dividends paid to non-controlling interest	**-**	-	**-**	-3.6
Net funding	**2.4**	-1.6	**0.0**	-4.2
Purchase of own shares	**-**	-0.5	**-0.2**	-0.9
Net cash generated from financing activities	**2.4**	-2.1	**-7.8**	-17.9
Change in cash and cash equivalents	**-0.3**	0.2	**-0.9**	-4.2
Cash & cash equivalents at the beginning of the period	**11.4**	12.8	**12.2**	16.9
Foreign exchange rate effect	**0.3**	-0.9	**0.1**	-0.5
Cash and cash equivalents at the end of the period	**11.4**	12.2	**11.4**	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 *	-	-	0.2	6.1	-	-	9.0	-0.2	15.1
Purchase of own shares	-	-	-	-	-	-0.9	-	-	-0.9
Dividends	-	-	-	-	-	-	-9.2	-3.6	-12.8
Equity on Dec 31, 2014	**3.6**	**16.7**	**-1.1**	**-6.5**	**4.9**	**-5.2**	**116.0**	**8.2**	**136.5**
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 *	-	-	0.4	3.8	-	-	6.7	0.3	11.3
Purchase of own shares	-	-	-	-	-	-0.2	-	-	-0.2
Dividends	-	-	-	-	-	-	-7.7	-	-7.7
Equity on Dec 31, 2015	**3.6**	**16.7**	**-0.7**	**-2.6**	**4.9**	**-5.4**	**115.0**	**8.5**	**140.0**

* For the period, (net of tax)

SEGMENT INFORMATION*

MEUR **Net Sales by Operating Segment**	**IV 2015**	IV 2014	**I-IV 2015**	I-IV 2014
Group Products	**40.2**	40.0	**184.7**	171.3
Third Party Products	**19.5**	21.5	**93.5**	102.0
Eliminations	**0.0**	0.0	**0.0**	0.0
Total	**59.7**	61.5	**278.2**	273.2
Operating Profit by Operating Segment				
Group Products	**2.3**	1.7	**18.1**	15.0
Third Party Products	**-1.6**	-0.6	**2.9**	7.9
Total	**0.7**	1.2	**21.0**	22.9

Assets by Operating Segment MEUR	**Dec 31 2015**	Dec 31 2014
Group Products	**236.8**	230.4
Third Party Products	**61.3**	63.6
Non-interest-bearing assets total	**298.2**	294.0
Unallocated interest-bearing assets	**15.2**	16.3
Total assets	**313.4**	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	**IV 2015**	IV 2014	**I-IV 2015**	I-IV 2014
North America	**25.8**	24.7	**99.2**	86.1
Nordic	**10.5**	9.7	**56.2**	54.9
Rest of Europe	**13.8**	17.3	**86.9**	98.7
Rest of the world	**9.4**	9.8	**35.9**	33.5
Total	**59.7**	61.5	**278.2**	273.2

KEY FIGURES BY QUARTERS MEUR	I 2014	II 2014	III 2014	IV 2014	I-IV 2014	**I 2015**	**II 2015**	**III 2015**	**IV 2015**	**I-IV 2015**
Net sales	66.2	77.7	67.8	61.5	273.2	**73.9**	**80.1**	**64.5**	**59.7**	**278.2**
EBITDA	9.1	10.4	7.5	3.0	30.0	**10.8**	**10.1**	**4.8**	**2.4**	**28.1**
Operating profit	7.4	8.6	5.7	1.2	22.9	**9.1**	**8.3**	**2.9**	**0.7**	**21.0**
Profit before taxes	5.5	7.0	3.5	-0.3	15.7	**6.9**	**6.4**	**1.3**	**-0.4**	**14.2**
Net profit for the period	4.3	4.1	2.7	-0.8	10.2	**4.3**	**4.0**	**-0.2**	**0.0**	**8.1**

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 reporting period that would have a material impact on the financial statements for January-December 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 December 31, 2015, the book value of inventories included a provision for net realizable value of 5.3 MEUR (4.1 MEUR at December 31, 2014).

Non-recurring income and expenses included in operating profit MEUR	**IV** **2015**	IV 2014	**I-IV** **2015**	I-IV 2014
Closure of Chinese lure manufacturing *	**-0.5**	-0.8	**-1.7**	-1.7
Closing down of Norwegian warehousing operations	**-0.5**	-	**-0.5**	-
Other restructuring costs	**-**	0.0	**-**	0.0
Other non-recurring items	**-**	-0.1	**-**	-0.1
Total included in EBITDA and operating profit	**-1.0**	-0.9	**-2.1**	-1.8
Other non-recurring impairments	**-**	-	**-0.1**	-
Total included in operating profit	**-1.0**	-0.9	**-2.3**	-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	**Dec 31** **2015**	Dec 31 2014
Minimum future lease payments on operating leases	**14.4**	16.4

Related party transactions MEUR	Sales and other income	Pur-chases	Rents paid	Other expen-ses	Recei-vables	Paya-bles
I-IV 2015						
Joint venture Shimano Normark UK Ltd	**3.6**	**-**	**-**	**0.0**	**0.1**	**-**
Associated company Lanimo Oü	**0.0**	**0.1**	**-**	**-**	**0.0**	**-**
Entity with significant influence over the Group*	**-**	**-**	**0.2**	**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	**Dec 31 2015**		Dec 31 2014	
MEUR	**Nominal Value**	**Fair Value**	Nominal Value	Fair Value
Derivative financial instruments designed as cash flow hedges				
Interest rate swaps, 1 to 5 years	**58.9**	**-0.4**	61.4	-0.4
Total	**58.9**	**-0.4**	61.4	-0.4
Derivative financial instruments designed as cash flow and fair value hedges				
Interest rate swaps, 1 to 5 years	**15.0**	**1.3**	20.0	0.1
Total	**15.0**	**1.3**	20.0	0.1
Non-hedge accounting derivative financial instruments				
Interest rate swaps, 1 to 5 years	**20.0**	**-0.4**	20.0	-0.4
Currency forwards, less than 12 months	**70.9**	**1.6**	67.4	2.3
Currency forwards, 1 to 5 years			7.3	0.7
Total	**90.9**	**1.2**	94.6	2.6

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 and will be updated in financial statement 2015. In 2015 full year, the amount of the ineffective portion that was recognized in the financial income and expenses of income statement was -0.1 MEUR (2014: 0.0 MEUR).

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

	IV 2015	IV 2014	**I-IV 2015**	I-IV 2014
Included in operating profit	**0.4**	2.3	**-2.1**	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		**Dec 31 2015**		Dec 31 2014
MEUR	**Carrying value**	**Fair value**	Carrying value	Fair value
Assets				
Available-for-sale financial assets (level 3)	**0.3**	**0.3**	0.3	0.3
Current non-interest-bearing assets (excl. derivatives)	**56.5**	**56.6**	58.8	58.8
Derivatives (level 2)	**3.7**	**3.7**	5.4	5.4
Total	**60.4**	**60.6**	64.5	64.5
Liabilities				
Non-current interest-bearing liabilities (excl. derivatives)	**58.6**	**58.8**	72.3	72.7
Derivatives (level 2)	**1.6**	**1.6**	3.1	3.1
Total	**60.1**	**60.3**	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	**Dec 31, 2015**	Dec 31, 2014
Number of shares	**39 000 000**	39 000 000
Number of shares, average	**39 000 000**	39 151 030
Number of treasury shares	**639 671**	606 807
Number of treasury shares, %	**1.6%**	1.6%
Number of outstanding shares	**38 360 329**	38 393 193
Number of shares traded, YTD	**2 074 690**	1 065 880
Closing price of share	**4.74**	4.71
Highest share price, YTD	**5.85**	6.00
Lowest share price, YTD	**4.57**	4.69
Average price of treasury shares, all time	**4.87**	4.85
Acquired treasury shares, YTD	**32 864**	167 948

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 and will be updated and included in the Financial Statements 2015.

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. Following the lower reported EBITDA and increased net interest bearing debt, the Group and its lenders have agreed on a higher leverage covenant for Q4/2015 and Q1/2016. The Group expects to decrease its leverage ratio back to lower levels during the first half of 2016. 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.