

August 27, 2010 at 7.00 p.m.

**RAPALA ACQUIRES PREMIUM CARP BAIT COMPANY DYNAMITE BAITS**

Rapala VMC Corporation (Rapala or Group) has finalized the acquisition of 100 % of the share capital of Dynamite Baits Ltd ("Dynamite"), a manufacturer of boilies, groundbaits, liquid attractants, pellets and bagged particle baits for sport fishing having its manufacturing facilities and offices in Nottingham, United Kingdom, where it employs some 60 people. The total consideration for the deal is some GBP 5.3 million (some EUR 6.5 million).

Founded some 15 years ago, Dynamite manufactures and sells a wide range of baits in particular for carp fishing under its main brand Dynamite Baits and a few other brands. Dynamite is a market leader in premium carp baits in the UK and it has a good market share of the premium carp and groundbait market in a few other European countries. In 2009, the net sales of Dynamite were GBP 6.5 million (some EUR 7.9 million) of which some 20% was outside the UK.

Dynamite has its own efficient distribution system in the UK securing deliveries directly to some 1,200 sales outlets within 72 hours from receipt of order. Its products enjoy an excellent reputation for catching fish. The acquisition of Dynamite Baits brings Rapala into an important segment of the bait market in which it has not been represented before.

"Dynamite is an ideal fit for the Rapala family of brands," said Jorma Kasslin, CEO of Rapala. "Their products have a great reputation with anglers and are widely known for their quality. We intend to take this quality brand to the global marketplace via our network of Group distribution companies and to widen their product range. As a result of the Dynamite acquisition we are able to offer a wide range of products including baits, hooks, accessories, terminal tackle and fishing lines to the carp fisherman. In addition, in the UK we are able to combine the distribution of our group products with those of Dynamite."

"It was a difficult decision to sell the business that was founded by my partner and I some 15 years ago," said Marcus Twidale, Managing Director of Dynamite. "But the decision was made easier knowing that the Dynamite product range, quality and good service will continue, and that Dynamite is able to benefit quite significantly from some distribution and product synergies as a member of the Rapala VMC Group." Marcus will continue as the Managing Director of Dynamite after the acquisition.

This acquisition is part of Rapala's strategy for profitable growth and it will make Rapala a strong player in the growing carp fishing market in Europe. Carp fishing is the fastest growing market in fishing throughout Europe. It contributes to the Group's brand strategy and portfolio while it leverages Rapala's unique sourcing and distribution platforms.

Rapala aims to significantly expand its sales to carp fishermen in the next few years by more than doubling Dynamite's 2009 sales. Before this deal, Rapala had only moderate sales of carp fishing products predominantly in France and few East European markets.



**STOCK EXCHANGE RELEASE**

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This deal will have an immaterial effect on Rapala's 2010 full year net sales and profitability.

**RAPALA VMC CORPORATION**

Jorma Kasslin  
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Rapala VMC Corporation is a leading fishing tackle company and the global market leader in fishing lures, treble hooks and fishing related knives and tools. The Group also has a strong global position in other fishing categories and it is one of the leading distributors of outdoor, hunting and winter sport products in the Nordic countries. The Group has the largest distribution network in the industry. The main manufacturing facilities are located in Finland, France, Estonia, Russia and China. The Group brand portfolio includes the leading brand in the industry, Rapala, and other global brands like VMC, Storm, Blue Fox, Luhr Jensen, Williamson, Marttiini and Sufix. The Group, with net sales of EUR 235 million in 2009, employs more than 2 000 people in 32 countries. Rapala's share is listed and traded on the NASDAQ OMX Helsinki stock exchange since 1998.