RAPALA
VMC
CORP.

STOCK EXCHANGE RELEASE
May 24, 2017
at 4:30 p.m.

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RAPALA VMC CORPORATION ISSUES EUR 25 MILLION HYBRID BOND

Rapala VMC Corporation issues a EUR 25 million hybrid bond. The bond bears a fixed interest rate of 5.375 per cent per annum until May 31, 2019. The hybrid bond has no maturity date but the issuer is entitled to redeem the hybrid bond after 2 years. The issue date of the hybrid bond is May 31, 2017. The hybrid bond issue will strengthen the company's capital structure and financial position.

"We are very pleased with the broad interest from capital markets towards our hybrid bond. Multiple times oversubscribed transaction sends a strong message of investors' confidence in the company's updated strategy. The hybrid bond will strengthen our financial position and provide additional capital of a temporary nature, which is required for strategy implementation." says Jussi Ristimäki, President and CEO of Rapala VMC Corporation.

A hybrid bond is an instrument which is subordinated to the company's other debt obligations and which is treated as equity in the IFRS financial statements. The hybrid bond does not confer to its holders the rights of a shareholder and does not dilute the holdings of the current shareholders.

OP Corporate Bank plc acts as sole lead manager for the transaction. Hannes Snellman Attorneys Ltd acts as legal advisor to Rapala VMC Corporation.

RAPALA VMC CORPORATION
Jussi Ristimäki
Chief Executive Officer

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Distribution: Nasdaq Helsinki and main media

Rapala VMC Corporation ("the Group") 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, Indonesia and the UK. The Group brand portfolio includes the leading brand in the industry, Rapala, and other global brands like VMC, Sufix, Storm, Blue Fox, Luhr Jensen, Williamson, Dynamite Baits, Mora Ice, StrikeMaster, Marttiini and Peltonen. The Group, with net sales of EUR 261 million in 2016, employs some 2 800 people in 40 countries. Rapala VMC Corporation's share is listed and traded on the Nasdaq Helsinki stock exchange since 1998.

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