

**RAPALA VMC CORPORATION: CODETERMINATION NEGOTIATIONS
COMPLETED.**

Rapala VMC Corporation announces the completion of codetermination negotiations concerning Finland. Beginning of the negotiations was published on February 16, 2017. In Rapala lure factory in Vääksy the negotiations covered to transfer parts of production to Group's factories in Russia and Estonia. Correspondingly the transfer of production together with Group's declined profitability also lead to reorganization of the work of white-collar personnel in Vääksy factory as well as in the Helsinki headquarters. The aim of the negotiations was to find solutions where the number of Rapala VMC Corporation's employees is in line with scope and profitability of current operations.

The total number of employees affected by codetermination negotiations is 50 of which five are covered with pension arrangements. The originally estimated amount was approximately 45–53 employees in Rapala VMC Oyj in Finland. Employee reductions relating to the codetermination negotiations of Rapala VMC Corporation start on spring 2017. Rapala VMC Corporation is actively supporting the employees affected through a change package that includes training and help with re-employment.

Marttiini Oy knife factory's ongoing codetermination negotiations concerning duplicate production functions in Rovaniemi and Pärnu, Estonia, factories have not yet been completed. This planned reorganization of production could mean maximum of 10 employees reduction in Rovaniemi.

The aim of the planned Finnish restructurings is to have about 1.5 MEUR annual savings which will be realized on 2018. Non-recurring costs related to any personal reductions, which are recorded in the year 2017, are estimated to be about 0.2 MEUR.

Helsinki, April 6, 2017

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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.