

**RAPALA VMC CORPORATION ANNOUNCES PLANS TO ACCELERATE STRATEGY EXECUTION – RESTRUCTURING PROGRAM INITIATED TO INCREASE GROUPWIDE SYNERGIES AND CENTRALIZE EUROPEAN DISTRIBUTION OPERATIONS**

Rapala VMC Corporation’s strategy focuses on growth within fishing and selected synergistic third party products distribution, improving return on capital and improving operational performance of the Group. The Group remains committed to this strategy and will accelerate the transformation of the Group following the changes in distribution agreements with Shimano as well as the recent acquisition of 49% of the share capital of DQC International Corporation, owner of 13 Fishing rod and reel brand.

Consequently, the Group will start a groupwide restructuring program, which aims at increasing efficiencies of operations, increase internal synergies and consequently decreasing operating expenses and reducing net working capital. The magnitude of the targeted cost savings is around 10 MEUR and consisting mainly of savings related to European businesses and distribution as well as the Asian lure manufacturing operations. The cost savings are expected to materialize gradually starting from 2020 onwards and to be in full effect after approximately two years. The costs related to the restructuring measures will be reported under “items affecting comparability” starting from the second half of 2019. Planned measures will be negotiated locally in each country potentially affected.

“Broad distribution network and strong local presence in customer and market knowledge related functions will remain one of our key competitive advantages in the future. Increased synergies within especially our European distribution units and centralization of operations will enable better customer service in the future and will create more value to our customers, partners in Third Party Products business and other stakeholders. These measures will secure our future profitability and enable sustainable growth.” says Chairman and interim CEO Louis d’Alañon”

**RAPALA VMC CORPORATION**

Louis d’Alañon  
Chairman of the Board

For further information, please contact:  
Jan-Elof Cavander, Chief Financial Officer, +358 9 7562 540

Distribution: Nasdaq Helsinki and main media

Rapala group is the world’s leading fishing tackle company and the global market leader in fishing lures, treble hooks and fishing related knives and tools. Group has a strong global position also in other fishing categories and it is one of the leading distributors of outdoor, hunting and winter sport products in the Nordic countries. Rapala’s distribution network is largest in the industry. The main manufacturing facilities are in Finland, France, Estonia, Russia, Indonesia and the UK. Rapala group’s brand portfolio includes the leading brand in the industry, Rapala, and other global brands like VMC, Suffix, Storm, Blue Fox, Luhr Jensen, Williamson, Dynamite Baits, Mora Ice, StrikeMaster, Marttiini and Peltonen as well as 13 Fishing outside of the USA. Group, with net sales of EUR 262 million in 2018, employs some 2 700 people in 42 countries. Rapala VMC Corporation’s share is listed and traded on the Nasdaq Helsinki stock exchange since 1998.