

YEAR 2002



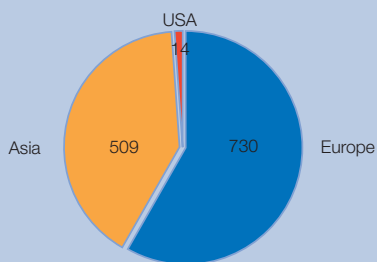
Evox Rifa in brief

Evox Rifa Group is an electronics partner with global operations. It supplies capacitors and related solutions to meet the needs of demanding customers.

Evox Rifa manufactures passive electronic components, specializing in plastic film and electrolytic capacitors. The major customer groups are in industrial, automotive and consumer electronics and the lighting industry. Evox Rifa's strength lies in the design and production of customized products that require specialist expertise.

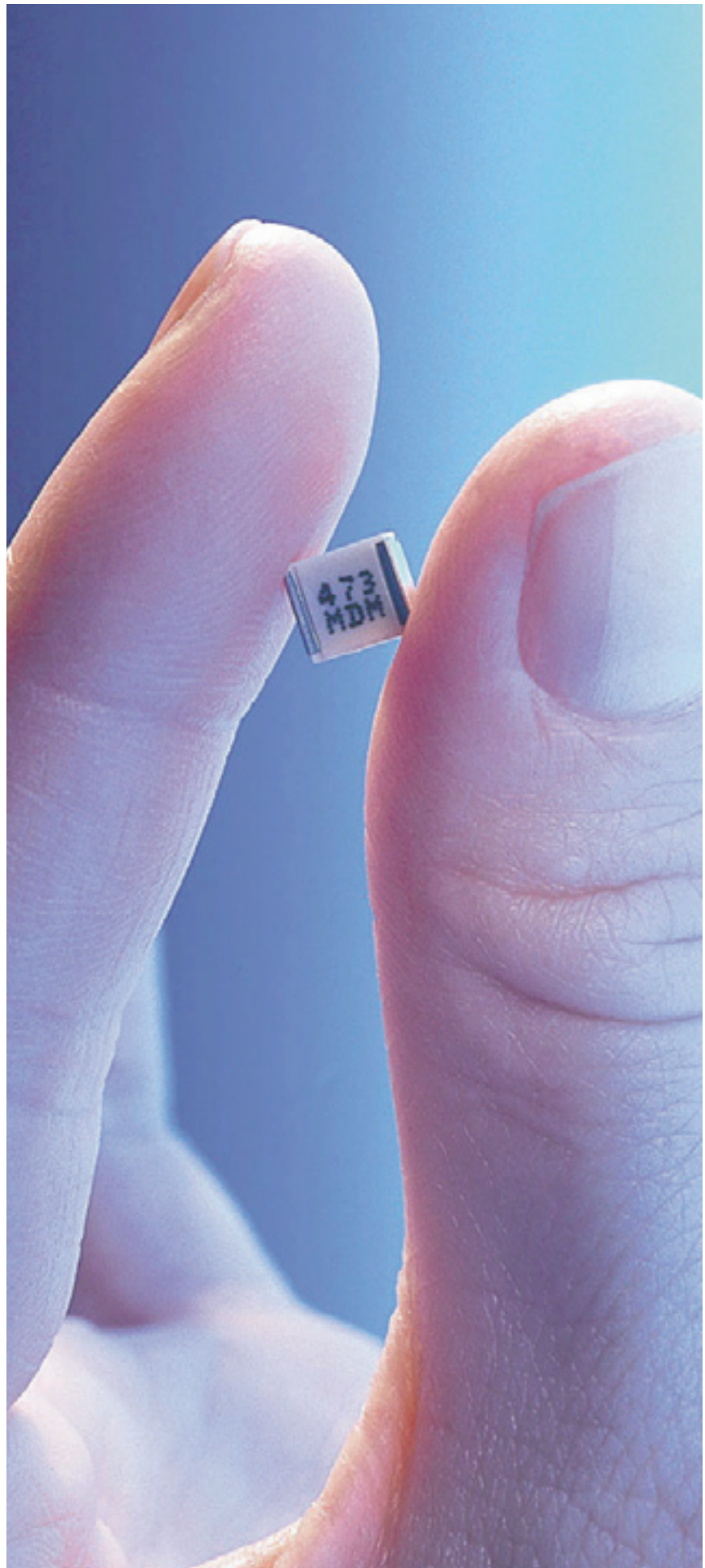
In 2002 Evox Rifa had net sales of about EUR 70 million and employed some 1250 people. The company has a worldwide sales and distribution network. Its production plants are located in Indonesia, Great Britain, China, Sweden and Finland.

PERSONNEL
BY MARKET AREA 2002



Capacitor

Capacitors store energy, conduct alternating current and separate different levels of DC voltage from each other. Capacitors are essential, basic components in all electronic and electrical products, from mobile phones to industrial electrical drives and large electric locomotives. Capacitors are constantly becoming smaller in size but increasingly powerful.



President's review



President
Tuula Ylhäinen

The global market for passive components in 2002 was weaker than forecast and the anticipated slight improvement failed to materialize. Competition on price intensified considerably. The situation was toughest in telecommunications, and the automotive and consumer electronics industries were unable to compensate for the decline in demand in that sector. The market for industrial electronics remained flat and prices in the lighting industry continued to fall.

The process of globalization continued. During 2002 Evox Rifa transferred some of its production from Europe to Asia to take advantage of lower raw material and labour costs. However, all R&D and design-in operations remain in Europe and the USA. Asia is becoming an increasingly important market for us. The start up of production in China and the purchase of the British company BHC Aerovox reinforced our standing in the global market.

We are satisfied that Evox Rifa succeeded in maintaining its share of a market that remained flat. The strategic policies decided on by the company, the investments made and action taken to boost cost-efficiency have proven to be on the right track, even though still not sufficient.

The switch at the end of the year to a new operational and organizational model based on business areas is one of the latest steps in our restructuring and remedial actions. Customer service,

speed, logistics and supply chain management are becoming ever more important in our business. Evox Rifa has logistics centres in the USA, Europe and Asia, which give the resources for fast, high standard customer service throughout the world. Towards the end of the year we started a Customer Service project with the goal of providing our personnel with new tools in customer service.

The financial performance of Evox Rifa in 2002 was unsatisfactory and further action is being taken to streamline and achieve savings. The transfer of production and the related personnel reductions will gradually have an impact on profits during the first half of 2003. The organization based on business areas and global management of the distribution chain will boost not only the level of service but also the turnover of working capital.

Consolidation, and a gradual recovery, has started in our sector. However, the market is not expected to start to pick up until the autumn. Thanks to its chosen strategy and systematic R&D, Evox Rifa is well placed to maintain its strong position among the leading capacitor manufacturers in the future.

A handwritten signature in blue ink, which appears to read 'Tuula Ylhäinen'.

Tuula Ylhäinen
President
Evox Rifa Group

Electrolytic capacitor unit at forefront in growing market



Latest Unidrive SP range of variable speed motor drives from Control Techniques, showing also optional plug-in modules. Drives is a major application area for screw terminal and snap-in electrolytic capacitors.

Evov Rifa's electrolytic capacitor unit operates in a traditionally growing market. The purchase of BHC Aerovox Ltd in England in the spring of 2002 made Evov Rifa the biggest manufacturer of screw terminal capacitors in Europe and one of the largest in the world.

The business area aims to further increase its market share with new products and effective customer-oriented design. It is putting much effort into improving customer service, technical know-how and productivity.

The company also began to manufacture electrolytic capacitors in China, at the Nantong factory that started operations in the spring. The factory is rapidly raising its production volumes and is a pioneer in the production of demanding electrolytic capacitors in Asia.

Automotive and industrial electronics form biggest application areas

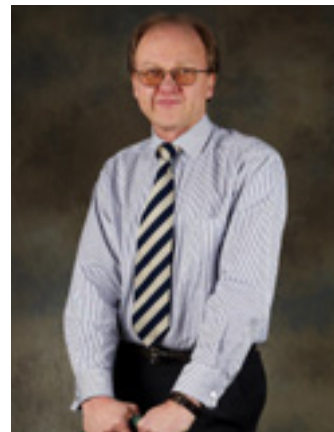
More than half the sales of the electrolytic business area are from large screw terminal capacitors that are used e.g. in industrial drives for electric motors, welding equipment and in UPS devices.

The fastest growing market sector for electrolytic capacitors is the automotive industry, which is continuously introducing new technology and replacing old mechanical solutions with electronic ones. Evov Rifa is one of the leading suppliers of the axial electrolytic capacitors used in cars.

The unit also manufactures snap-in capacitors for the consumer and industrial electronic sectors and the motor starter capacitors used especially in domestic appliances and air conditioning equipment.

Electrolytic capacitors are made in

Sweden, England and at the new factory in China. R&D takes place in Sweden and England. The company works with customers to develop new products – close collaboration continued with Vacon, Control Techniques and Bosch for example.



Director of electrolytic capacitor unit, Lars-Göran Stenberg.

Film capacitor unit aims at profitable growth

Film capacitors form Evox Rifa's other business area. Its main products are metallized paper capacitors and plastic film capacitors. The unit's goal is profitable growth, which it will achieve by reducing manufacturing costs, speeding up delivery times, expanding its product selection and improving the availability of customized products.

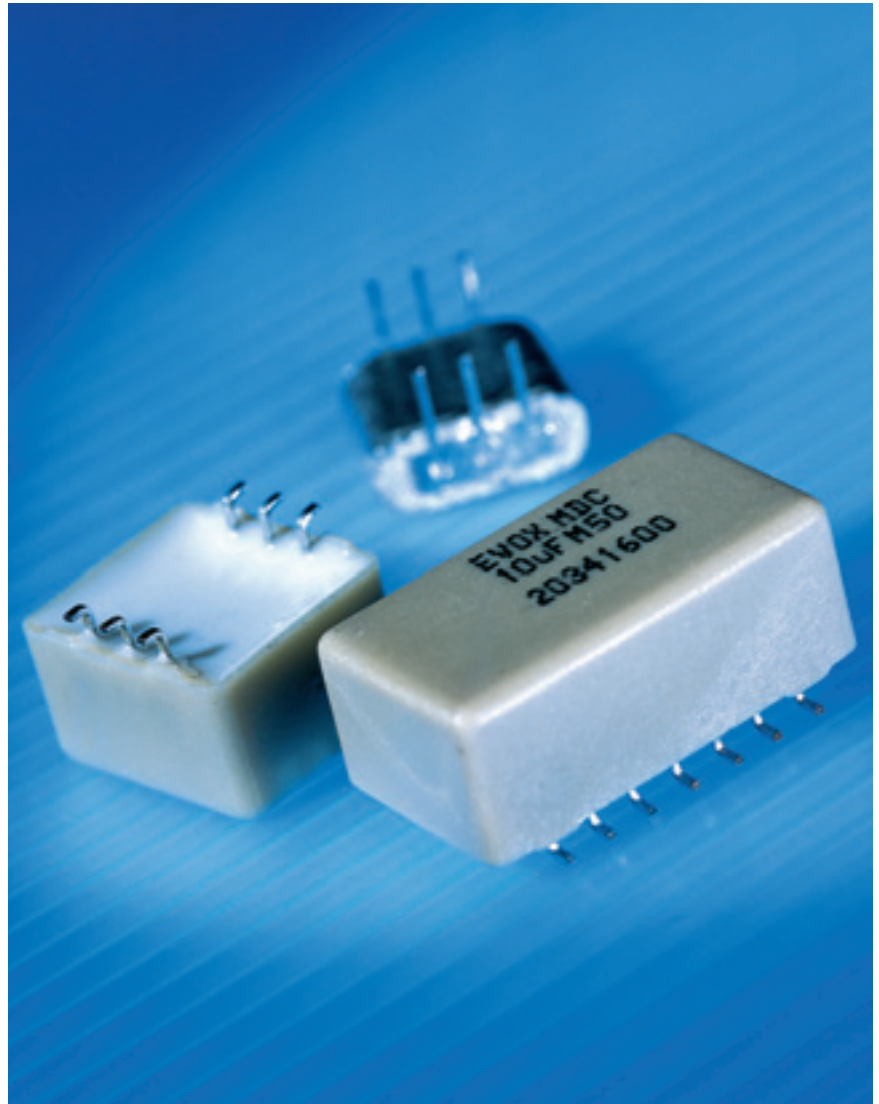
The unit aims at maximum flexibility and a high standard of customer service in its organization. It is reducing manufacturing costs by transferring production from Europe to Asia where labour and raw material costs are lower. All development and manufacturing of customized products takes place at the factories in Europe. Europe and the USA remain the main markets for the business area, although growth in production is mainly in Asia. The unit is raising production volumes through contract manufacturing. It has extended its product range with products made by its partners.

Strong market standing in both main product groups

Plastic film capacitors account for by far the bigger part of the sales of the film business area. Evox Rifa is one of the world's leading manufacturers, especially in RFI interference repression and surface mounted capacitors. The unit supplies pulse capacitors used in televisions and power supplies and general purpose capacitors used in numerous electronic applications by various customers around the world.

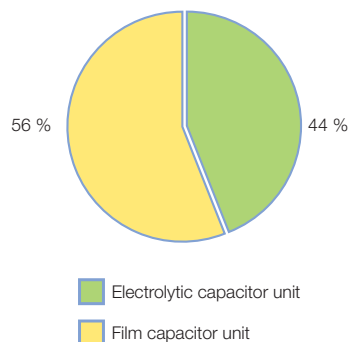
Paper capacitors are high quality niche products. They are used as interference suppression capacitors in product applications with high safety requirements. Evox Rifa is the global market leader in manufacturing paper capacitors.

Both the main product groups are manufactured in Sweden, and plastic film capacitors are also made at the factories in Indonesia and Finland.



Dual-In-Line (DIL) capacitors which are developed for AC-DC and DC-DC converters.

SHARE OF NET SALES
IN 2002



Director of film capacitor unit,
Cheng Hoon Wee.

New factory lays foundation for growth in Asia

Evov Rifa has long experience of operating in Asia. The company has production, know-how and partners there. The manufacturing joint venture established with the Chinese company Jianghai supports Evov Rifa's growth strategy and reinforces its competitive standing. The new Nantong factory in China, which started operations in the spring of 2002, manufactures electrolytic capacitors for most of Evov Rifa's customer sectors.

The production plant in Indonesia, which has been operating for more than ten years, has concentrated on manufacturing film capacitors. Production

capacity is constantly being transferred there from the European factories.

Evov Rifa is also marketing actively in Asia and responding to the needs of the growing market in the region.

Global network opens up new doors

Evov Rifa's global sales network has proved to be an important factor in international competition, especially in the USA and Europe.

A good example of this is the partnership agreement with Matsushita, known for its Panasonic brand. Evov

Rifa's existing, worldwide sales organization was a major factor in signing the agreement. This opens up considerable opportunities for Evov Rifa to win new customer groups and also extends the company's own range of plastic film surface mounted capacitors. In the long term, the agreement means an opportunity to work together in product development and even to manufacture Matsushita capacitors under licence.

As a result of its marketing agreements signed earlier with Darfon Electronics and Micro Analog Systems, Evov Rifa has obtained product approvals in the US market for new



products that are expected to generate significant net sales in 2003. Darfon's ceramic capacitors are sold under the Evox Rifa brand. During 2002 Evox Rifa signed an agreement with the Indian company Alcon Electronics to manufacture snubber capacitors under the Evox Rifa brand for industrial electronics applications. Deliveries of the products have already started in Europe.

Through the purchase of BHC Aerovox Ltd, Evox Rifa became one of the global leaders in the electrolytic sector. The company acquisition brought Evox Rifa new customers and new know-how and boosted its R&D. The company, which now operates under the name BHC Components Ltd, has been successfully integrated into Evox Rifa.

New products in collaboration with customers

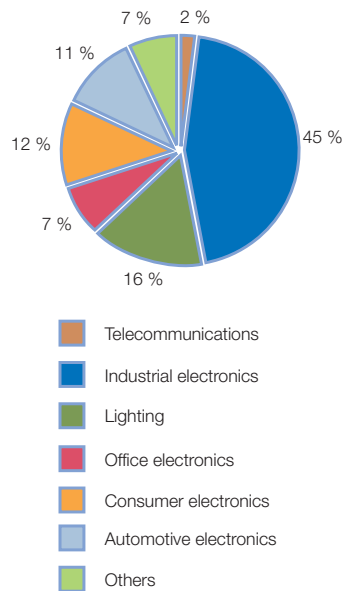
Evox Rifa has for a long time invested systematically in developing new products – often in collaboration with customers. Expenditure on research and product development equalled 3,9 per cent of turn over in 2002.

Last year Evox Rifa expanded its product range with new products and improved the performance of existing products. The company developed six completely new electrolytic capacitor products for demanding applications. The design work on the new snap-in product family has been completed and production has started at the factory in China.

In film capacitors, Evox Rifa upgraded its key X2 series for interference suppression. The company developed X1 capacitor families for three-phase and industrial networks and a new pulse capacitor series that replaces earlier products and extends the product range. The launch of the new low-profile DIL capacitor series was one aspect of developing the surface mounted capacitor families.

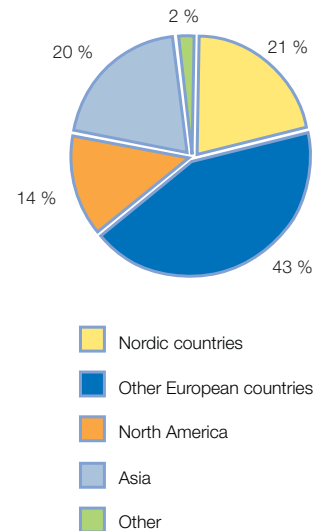
Evox Rifa carried out several dozen customized R&D projects. More than half of these passed into commercial production. For example, the company

REVENUES
BY INDUSTRIAL SEGMENT 2002*



* includes sales to distributors and contract manufacturers

REVENUES
BY MARKET AREA 2002



cooperated with the US company Delphi Electronics to develop a capacitor with spade lug terminals for controlling diesel motors. It developed a separate motor drive capacitor for the German company Geiger, which manufactures motors for automatically operated awnings. Many of the new products can be further developed for a wider market.

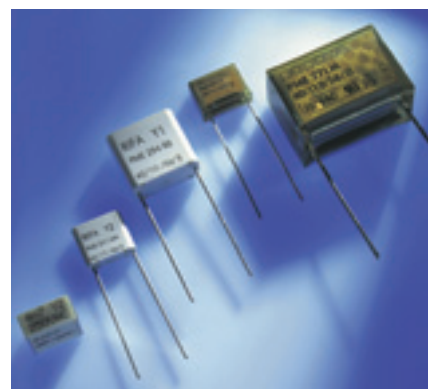
Evox Rifa is a key player in Procure, an EU-financed project running for several years that aims to develop passive components for use at extremely high temperatures in automotive, space and oil drilling technology.

Structural changes to give more competitive cost structure

Changing the structure to one based on business areas aims at improving the profitability of operations and making better use of synergies within the group. Increased internal efficiency will enhance sales activities and improve customer service.

The market remained weak through-

out the year, and Evox Rifa continued its action to reduce costs. The lay-offs of personnel continued in Finland. Evox Rifa transferred some of its film capacitor production from Europe to the Indonesian factory, which resulted in personnel reductions at the Kalmar production plant in Sweden. The sale of the metalizing plant in the summer of 2002 helps the company focus even more on its core business.



**Evox Rifa Group Oyj
Group Head Office**

Stella Business Park
Lars Sonckin kaari 16
02600 Espoo
FINLAND
Tel. +358 9 5406 5000
Fax +358 9 5406 5010

Evox Rifa Oy

Siikarantaantie 3
89600 Suomussalmi
FINLAND
Tel. +358 8 747 0200
Fax +358 8 747 0222

Evox Rifa

51, rue Edith CAVELL
92400 Courbevoie
FRANCE
Tel. +33 6 20 71 61 01
Fax +33 6 20 71 97 95

Evox Rifa GmbH

Postfach 1151
D – 85701 Unterschleissheim
Max-Planck-Strasse 8
D – 85716 Unterschleissheim
GERMANY
Tel. +49 89 374 2950
Fax +49 89 374 295 200

**PT. Evox Rifa
Indonesia**

325 Batamindo Industrial Park
Mukakuning, Batam
INDONESIA
Tel. +62 770 611 181, 611 182
Fax +62 770 611 183

Evox Rifa Sdn.Bhd.

3 Lorong Bukit Kencil
11900 Penang
MALAYSIA
Tel. +60 4 641 5726
Fax +60 4 642 0544

Evox Rifa Pte. Ltd.

**Shanghai
Representative Office**
B709 Singular Mansion 320
Xianxia Road
Shanghai 200336
P.R. CHINA
Tel. +86 21 6208 8689
Fax +86 21 6208 8467

**Nantong Evox Rifa
Electrolytics Co., Ltd.**

No. 79 Tongyang South Road
Pingchao Town
Nantong City
P.R. CHINA
Tel. +86 513 6726268
Fax +86 513 6726268

Evox Rifa Pte.Ltd.

1200 Depot Road
Unit 06-01
SINGAPORE 109675
Tel. +65 6273 9900
Fax +65 6273 9049

Evox Rifa AB

Perstorpsvägen 8
Box 945
S-391 29 Kalmar
SWEDEN
Tel. +46 480 61600
Fax +46 480 411555

Evox Rifa AB

Skiftesvägen 16
Box 98
S-563 22 Gränna
SWEDEN
Tel. +46 390 12400
Fax +46 390 12490

Dectron AB

Thörnblads väg 6
S-386 90 Färjestaden
SWEDEN
Tel. +46 485 56 3900
Fax +46 485 35805

Evox Rifa UK

Market Chambers
Shelton Square
Coventry CV1 1DJ
UNITED KINGDOM
Tel. +44 2476 633 100
Fax +44 2476 632 800

BHC Components Ltd.

20-21 Cumberland Drive
Granby Industrial Estate
Weymouth
Dorset DT4 9TE
UNITED KINGDOM
Tel. +44 1305 782871
Fax +44 1305 760670

Evox Rifa Inc.

300 Tri-State International
Suite 375
Lincolnshire
Illinois 60069
UNITED STATES
Tel. +1 847 948 9511
Fax +1 847 948 9320



FINANCIAL STATEMENTS 2002

Contents

The Board of Director's Report	3
Consolidated Income Statement	5
Consolidated Balance Sheet.....	6
Consolidated Cash Flow Statement.....	8
The Accounting Principles of Group Consolidation.....	9
Notes to the Consolidated Financial Statements.....	10
Income Statement and Balance Sheet of Parent Company	15
Cash Flow Statement of Parent Company	16
Notes to the Income Statement of Parent Company.....	17
Consolidated Key Figures	20
Calculation Principles of Key Figures.....	21
Shareholders and Shares.....	22
Proposal of the Board for the Distribution of Earnings.....	23
Auditor's Report to the Shareholders	24
Information for Shareholders	25

Key figures

The information during 1998–2000 is based on proforma figures.

	1998	1999	2000	2001	2002
Net sales, MEUR	68,0	65,8	84,2	69,0	69,8
EBIT, MEUR	-0,4	-2,5	4,1	-4,8	-8,9
% of net sales	-0,6	-3,8	4,8	-6,9	-12,8
Return on investment, %	0,0	-2,9	10,4	-10,3	-19,1
Earnings per share, EUR	-0,021	-0,036	0,014	-0,059	-0,068
Equity ratio, %	49,6	46,1	48,7	47,5	36,5
Personnel, average	1 354	1 241	1 406	1 336	1 288
Order backlog 31.12., MEUR	12,3	17,3	35,6	10,5	13,6

The Board of Directors' Report

General

Evox Rifa designs and manufactures passive electronic components – plastic film, paper and electrolytic capacitors. The company's goal is to become a leading supplier of challenging capacitor-based solutions by focusing on designing and supplying high-end capacitors to selected business sectors. Evox Rifa's customer sectors are especially in the fields of automotive, industrial, lighting and consumer electronics – in Europe, North America and Asia.

During 2002 Evox Rifa acquired the entire share capital of the British company BHC Aerovox Ltd. (now BHC Components Ltd.). The financial information for BHC is included in the group's financial report as from the beginning of May 2002.

The group's parent company is Evox Rifa Group Oyj in Finland; the other group companies are: Evox Rifa Oy, Finland; Evox Rifa AB, Sweden; Dectron AB, Sweden; Evox Rifa Pte.Ltd., Singapore; Seoryong Singapore Pte.Ltd., Singapore; P.T. Evox S.R., Indonesia; Evox Rifa Sdn.Bhd., Malaysia; Nantong Evox Rifa Electrolytics Co., People's Republic of China; BHC Components Ltd., United Kingdom; Evox Rifa GmbH, Germany; Evox Rifa (U.K.) Ltd., United Kingdom, and Evox Rifa Inc., USA.

Market Survey

During 2002 the global market for passive components was weaker than forecast and the anticipated slight improvement failed to materialise. Competition on price intensified considerably.

Evox Rifa signed a partnership agreement with Matsushita, known for its Panasonic brand. Evox Rifa's existing, worldwide sales organisation was a major factor in signing the agreement. This opens up considerable opportunities for Evox Rifa to win new customer groups and also extends the company's own range of plastic film surface mounted capacitors. In the long term, the agreement means an opportunity to work together in product development and even to manufacture Matsushita capacitors under licence. Demand for Evox Rifa's own surface mounted products increased during 2002.

As the result of its marketing agreements signed earlier with Darfon Electronics and Micro Analog Systems, Evox Rifa has obtained product approvals in the US market for new products that are expected to generate significant net sales in 2003.

During 2002 Evox Rifa signed an agreement with the Indian company Alcon Electronics to manufacture snubber capacitors under the Evox Rifa brand for industrial electronics applications. Deliveries of the products have already started in Europe.

Financial Performance

Evox Rifa Group's net sales in 2002 were EUR 69.8 million (EUR 69.0 million in 2001). BHC Components Ltd accounted for EUR 14.1 million of total net sales. The North American and European markets continued to decline. The purchase of BHC strengthened Evox Rifa's position in the European market; net sales decreased in the USA. Sales on the Asian market remained at the same level as in 2001, despite increased price competition.

The Electrolytic Capacitors Business Area increased its share of Evox Rifa's total net sales, contributing nearly 44% of total net sales. Among Evox Rifa Group's customer sectors, automotive and industrial electronics accounted for 56% of total sales in 2002 (43% in 2001).

Evox Rifa Group made an operating loss of EUR 8.9 million (loss of EUR 4.8 million in 2001). The loss before extraordinary items was EUR 9.7 million (EUR 6.4 million in 2001). The operating profit of BHC Components Ltd. was EUR 0.4 million.

The Group's earnings per share was EUR –0.068 (EUR –0.059) and the shareholders' equity per share EUR 0.125 (EUR 0.296)

Evox Rifa Group had an order backlog of EUR 13.6 million at the end of 2002 (EUR 10.5 million at the end of 2001).

The financial status of the group weakened and the operating loss was EUR 18.6 million (EUR 10.5 million in 2001). The group was, however, able to carry out its strategic investments, the acquisition of BHC Aerovox Ltd. and building the production capacity for the new factory in China. Gross investments in fixed assets were EUR 7.1 million during 2002.

At the end of the year, the Group's liquid assets were EUR 5.9 million. The Group's equity ratio was 36.5% (47.5% in 2001).

Shares and Shareholders

The nominal value of the shares of Evox Rifa Group Oyj is EUR 0.05. On December 31, 2002 the number of shares was 173,371,018 and the share capital was EUR 8,668,550.90.

The Annual General Meeting of Evox Rifa Group Oyj on March 27, 2002 approved the proposal of Board of Directors to authorise the Board to decide to issue new shares and / or convertible loans, disapplying the shareholders' pre-emptive rights, so that the share capital may rise by a maximum of EUR 866,855. Concurrently the General Meeting decided to revoke its authorisation of April 11, 2001. The Board of Directors did not use this authorisation. (The proposals of the Board have been published as a stock exchange release on March 7, 2002)

The Extraordinary General Meeting of Evox Rifa Group Oyj on May 31, 2002 decided to increase the share capital of the company by not less than EUR 0.05 and not more than EUR 4,334,275.45 by issuing a minimum of one and a maximum of 86,685,509 new shares with a nominal value of EUR 0.05 each. The General Meeting decided that the subscription price for the new shares is EUR 0.07 per share. The increase in the share capital of EUR 4,334,275.45 was registered with the trade register on July 10, 2002.

On November 14, 2000, the Shareholders' Meeting of Evox Rifa Group Oyj resolved to issue 7,500,000 stock options that entitle the holders to subscribe for 7,500,000 Evox Rifa Group Oyj shares. The stock options are offered for subscription to key personnel of the Evox Rifa Group to be named at a later date, to the management of Evox Rifa Group Oyj and to a Group subsidiary.

The stock options are allocated as follows: 2,000,000 are marked with the letter A, 2,500,000 with the letter B and 3,000,000 with the letter C. The subscription period for the A shares is 31 December 2001 – 31 December 2006 and the subscription price is EUR 0.29 per share after adjustment for the share issue. The subscription period for the B shares is 31 December 2003 – 31 December 2006 and the subscription price is EUR 0.11 per share after adjustment for the share issue. The subscription period for the C shares is 31 December 2004 – 31 December 2006 and the subscription price is the trade-weighted average trading price of the Company's shares during

30 days after 31 December 2002 +15%. The amount of dividends decided on and distributed before subscription will be deducted from the share subscription price. The subscription price may not, however, be less than the nominal value of the share. Pursuant to the share subscription, the share capital can be raised by a maximum of EUR 375,000. The shares must be paid for upon subscription.

Personnel

At the end of the fiscal year, Evox Rifa Group had 1253 employees (1186 in 2001), of whom 943 (941) were factory personnel and 310 (245) office staff. The group had an average of 1288 (1336) employees during the fiscal year, of whom 969 (1095) were factory personnel and 319 (241) office staff.

The cost saving programmes affecting personnel continued in 2002. The temporary lay-offs affecting all employees at the Suomussalmi factory continue. During the spring of 2002 about 100 people were made redundant at the Swedish subsidiary of Evox Rifa and agreement was reached in January 2003 to make a further 50 persons redundant.

Research and Development

Evox Rifa has for a long time invested systematically in developing new products – often in collaboration with customers. Expenditure on research and development equalled 3.9 per cent of net sales in 2002.

Last year Evox Rifa expanded its product range with new products and improved the performance of existing products. The company developed six completely new electrolytic capacitor products for demanding applications. The design work on the new snap-in product family has been completed and production has started at the factory in China.

In film capacitors, Evox Rifa upgraded its key X2 series for interference suppression. The company developed X1 capacitor families for three-phase and industrial networks and a new pulse capacitor series that replaces earlier products and extends the product range. The launch of the new low-profile DIL capacitor series was one aspect of developing the surface mounted capacitor families. Evox Rifa carried out several dozen customised R & D projects. More than half of these passed into commercial production. However, these will start to have a significant impact on net sales from 2003 onwards.

Evox Rifa is a key player in Procure, an EU-financed project running for several years (led by DaimlerChrysler) that aims to develop passive components for use at extremely high temperatures (175 °C – 225°C) in automotive, space and oil drilling technology.

Environment

In environmental issues, Evox Rifa aims to conform to the requirements of the ISO 14001 standard. To date, the environmental management system has been certified at the factory in Kalmar. The other factories are building their systems and will apply for certification during 2004.

Evox Rifa conforms to the principles of sustainable development in its product development. The raw materials and procedures used for new products are assessed as part of the product development process. Process planning minimises energy requirements and takes into account the recycling of waste materials.

Management and Auditors

The Board of Evox Rifa Group Oyj comprised the following persons:

Chairman, Jerker Molander, and Board Members: Mikko J. Aro, Georg Ehrnrooth, Henrik, Ehrnrooth (as from 27 March, 2002), Pertti Laine (as from 27 March, 2002), Jarmo Niemi, Anders Oldenburg (until 27 March, 2002).

The above mentioned persons also formed the Board of Directors of Evox Rifa Oy during the fiscal period.

The President of Evox Rifa Group Oyj was Mr. Harri Launonen MSc. (Tech) until January 31, 2003. Mrs. Tuula Ylhäinen, MSc. (Econ) was President of Evox Rifa Group Oyj from January 31, 2003 onwards.

The Group's auditors are Pricewaterhouse Coopers Oy, Certified Accountants, and the principal auditor is Mr. Eero Suomela, Authorised Accountant.

Outlook for 2003

Although the order backlog of Evox Rifa has been increasing during January of 2003, pressures to lower prices are still strong. The outlook for 2003 is still uncertain. The market is not expected to start to pick up until the autumn.

The financial result for the first quarter of 2003 will remain negative in both business areas.

The cost savings resulting from the transfers of production from Europe to Asia and from the lay-offs in the Film Capacitors Business Area will only gradually have a visible impact, starting in the second quarter of 2003. The company will continue to adapt costs to the present market situation during 2003.

The profitability of the Electrolytic Capacitors Business Area will recover more quickly than Film Capacitors during 2003. Production volumes at the new Chinese factory are rising and BHC Components will continue its strong, positive performance.

Consolidated Income Statement

	1.1.-31.12.2002	1.1.-31.12.2001
	1000 €	1000 €
1 NET SALES	69 839	68 968
Change in finished goods and work in progress inventories	-1 877	-2 824
Production for own use	40	51
2 Other operating income	1 449	101
3 Materials and services	-28 723	-21 717
4 Personnel expenses	-31 595	-32 692
5 Depreciation and write-downs	-4 185	-3 545
Other operating expenses	-13 889	-13 115
	-78 393	-71 070
OPERATING PROFIT (LOSS)	-8 942	-4 774
6 Financial income and expenses	-797	-1 607
	-9 739	-6 381
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS	-9 739	-6 381
7 Extraordinary income (+) and expenses (-)	0	79
	-9 739	-6 302
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	-9 739	-6 302
8 Direct taxes	858	1 318
Minority interest	146	-12
PROFIT (LOSS) FOR THE PERIOD	-8 735	-4 996

Consolidated Balance Sheet

ASSETS	31.12.2002	31.12.2001
	1000 €	1000 €
FIXED ASSETS AND OTHER NON-CURRENT ASSETS		
1 Intangible assets		
Formation expenses	111	25
Goodwill	1 312	1 378
Other capitalized expenditure	140	187
	<hr/> 1 563	<hr/> 1 590
Tangible assets		
Land areas	712	603
Buildings and structures	5 319	4 711
Machinery and equipment	14 027	11 956
Other tangible assets	228	62
Advance payments and fixed assets in progress	1 145	2 385
	<hr/> 21 431	<hr/> 19 717
2 Investments		
Other shares and shareholdings	92	76
	<hr/> 92	<hr/> 76
FIXED ASSETS AND OTHER NON-CURRENT ASSETS TOTAL		
	23 086	21 383
CURRENT ASSETS		
Inventories		
Raw materials and supplies	5 712	7 191
Work in progress	1 774	2 126
Finished goods	6 148	6 318
	<hr/> 13 634	<hr/> 15 635
Non-current receivables		
Current receivables		
Accounts receivable	14 243	9 822
Loan receivable	34	55
Other receivable	3 823	1 704
3 Prepaid expenses and accrued income	702	728
	<hr/> 18 802	<hr/> 12 309
Current investments		
Other investments	24	2 753
Cash in hand and in banks	5 921	3 656
	<hr/> 5 945	<hr/> 6 409
TOTAL CURRENT ASSETS		
	38 381	34 353
TOTAL ASSETS		
	<hr/> 61 467	<hr/> 55 736

SHAREHOLDERS' EQUITY AND LIABILITIES		31.12.2002	31.12.2001
		1000 €	1000 €
4	SHAREHOLDERS' EQUITY		
	Share capital	8 669	4 334
	Premium fund	1 733	
	Reserve fund	12 989	12 989
	Retained earnings	7 016	13 320
	Net profit (- loss)	-8 735	-4 996
	TOTAL SHAREHOLDERS' EQUITY	21 672	25 647
	MINORITY INTEREST	788	833
	LIABILITIES		
5	Deferred tax liability	488	286
6	Non-current liabilities		
	Loans from credit institutions	17 630	12 673
	Pension loans	2 475	2 351
	Other non-current loans	145	430
	Total non-current liabilities	20 250	15 454
	Current liabilities		
	Current loans from credit institutions	4 404	1 920
	Advances received	0	4
	Accounts payable	6 013	3 970
	Other current liabilities	1 347	1 502
7	Accrued expenses and deferred income	6 505	6 120
	Total current liabilities	18 269	13 516
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	61 467	55 736

Consolidated Cash Flow Statement

	2002	2001
	1000 €	1000 €
Operational Cash Flow		
Operating profit (loss)	-8 942	-4 774
Adjustments to operating profit (loss)		
Depreciation and write-downs	4 185	3 545
Other adjustments	785	0
Change in Net Working Capital		
Inventories, increase (-) decrease (+)	1 059	2 194
Trade receivables, increase (-) decrease (+)	-1 553	6 551
Non-interest bearing liabilities, increase (+) decrease (-)	316	-3 782
Financial income and expense	-1 390	-1 607
Direct taxes	-51	230
Operational cash flow	-5 591	2 357
Investments		
Investments in subsidiary shares	-5 329	-1 818
Investments in shares, net	0	67
Investments in other fixed assets, net	-1 386	-2 003
Total investments cashflow	-6 715	-3 754
Cash flow before financing	-12 306	-1 397
Financing		
Share issue	6 069	0
Loan receivable increase (-) decrease (+)	17	18
Other receivables increase (-) decrease (+)	0	433
Non-current loans increase (+) decrease (-)	2 643	2
Other non-current debt increase (+) decrease (-)	0	430
Current loans increase (+) decrease (-)	2 938	620
Foreign currency translation adjustment	175	-607
Total financing cash flow	11 842	896
Increase / Decrease in Liquid Funds	-464	-501
Liquid funds 1.1.	6 409	6 910
Liquid funds 31.12.	5 945	6 409

Liquid funds include cash in hand and in banks and deposits in mutual interest funds.

Investments in subsidiary shares in the investments cashflow include the acquisition cost deducted with the liquid funds of the acquisition date.

The Accounting Principles of Group Consolidation

The scope of consolidation

The consolidation includes the parent company and those subsidiaries in which the parent has, directly or indirectly, more than 50 % holding at the end of the year. The new subsidiaries which were acquired during the fiscal year are included in the consolidation from the day of purchase.

Companies in which group has a holding of 20-50 % are consolidated as associated companies.

The consolidation principles

The group financial statements are prepared using the acquisition cost method.

The group intercompany transactions, internal margins, internal receivables and liabilities as well as group internal profit distribution are eliminated from the group accounts.

Translation differences from the elimination of intercompany shareholding have been presented in the balance sheet as retained earnings.

The minority interest's profit/loss and the equity are shown separately in the income statement and the balance sheet.

The part of such companies' results in which the group has a holding of 20-50 % are consolidated in the group financial statements using equity method.

Non-current assets

Valuation of the fixed assets

Fixed assets are valued to acquisition cost and deducted with accumulated depreciation.

Depreciation principles

The depreciation according to plan of fixed assets is based on the original acquisition costs and estimated useful life applying straight lime basis. Other capitalized expenditure is depreciated in 3-10 years. Depreciation time for buildings is 25 years. Machinery and equipment are depreciated in 4-10 years. The goodwill and formation expenses are depreciated over 5 years.

Voluntary provisions and deferred tax liability

The depreciation in excess of plan and the voluntary provisions in single companies accounts are shown as a separate provision.

In group accounts this provision is divided into equity and deferred tax liability.

Current assets

Valuation of inventories

Inventories are valued according to the FIFO method, the re-purchase price or the average price method or the sales price, which is lower than FIFO or average price.

Transactions in Foreign Currency

Accounts receivable and payable are converted into euros using the European Central Bank's average rate at the fiscal year end. Foreign currency balance sheet items covered with binding contracts are converted to euros with the contract rate. The result of the realised forward contracts has been included in the accounts according to their realisation. Open forward contracts are converted at the year end rates. Foreign exchange rate gains or losses are booked to the income statement. The group uses derivative instruments only to hedge foreign currency denominated items in the balance sheet.

The foreign subsidiary financial statements are converted into euros using the fiscal year average rate for the income statement and year end rate for the balance sheet.

Pension liability coverage

In the Finnish companies the legal pension liabilities are covered by using an insurance company. Voluntary pensions are covered with voluntary insurances.

Foreign subsidiaries cover their pension liabilities according to the local standards.

Research and development expenses

Research and development expenses are recorded as costs in the fiscal year during which they were born.

Taxes

The taxes of the group companies have been calculated according to the local regulations of each company. The taxes include taxes calculated according to the accrual basis and adjustment to taxes from the previous years. The group income statement includes also the change in deferred taxes.

Notes to the Consolidated Financial Statements

INCOME STATEMENT NOTES	1.1.-31.12.2002 1000 €	1.1.-31.12.2001 1000 €
1. NET SALES		
Net sales by product groups		
Film	20 014	22 926
Paper	11 385	17 165
Electrolytics	30 530	20 010
Inductive	1 289	1 998
Others	6 621	6 869
Total	69 839	68 968
Net sales by sales regions		
Finland	4 260	2 085
Other Nordic countries	10 389	10 361
Other European countries	29 980	27 910
Asia	13 930	13 296
Northern America	9 679	12 968
Others	1 601	2 348
Total	69 839	68 968
Net sales by customer groups		
Telecommunication	1 257	3 483
Industrial	24 580	16 263
Lightning	8 549	9 645
Office electronics	3 529	4 029
Consumer electronics	6 529	6 329
Automotive	5 849	4 966
Contract manufacturing	3 691	4 930
Distributors	13 134	14 737
Others	2 721	4 586
Total	69 839	68 968
2. OTHER OPERATING INCOME		
Gains from sales of fixed assets	958	34
Other	491	67
Total	1 449	101
3. MATERIALS AND SERVICES		
Materials and supplies		
Materials and supplies purchases during the period	27 657	22 286
Outside services	157	55
Increase (-) / Decrease (+) in inventory	909	-624
Total	28 723	21 717
4. PERSONNEL EXPENSES AND NUMBER OF PERSONNEL		
Salaries and fees	23 587	23 767
Pension cost	3 347	3 768
Other personnel cost	4 661	5 157
Total	31 595	32 692
Other personnel cost includes both compulsory and voluntary personnel expenses.		
The management salaries and fees		
Managing directors	920	518
Board of directors	32	36
Total	952	554

The retirement age for the parent company managing director has been agreed to 65 years.

	1.1.-31.12.2002	1.1.-31.12.2001
Personnel at the end of the fiscal year		
Office employees	319	241
Other employees	969	1 095
Total	1 288	1 336
Personnel at the end of the fiscal year		
Office employees	310	245
Other employees	943	941
Total	1 253	1 186
5. DEPRECIATIONS AND WRITE-DOWNS		
Formation expenses	18	0
Goodwill	347	149
Other capitalized expenditure	99	93
Buildings and structures	299	304
Machinery and equipment	3377	2975
Other tangible assets	45	25
Total	4 185	3 545
Capitalized formation expenses are related to the foundation of China factory.		
6. FINANCIAL EXPENSES AND INCOME		
Interest and other financial income		
Interest income from current investments	89	36
Other financial income	178	45
Total interest income and other financial income	267	81
Interest and other financial expenses		
Interest expenses	1 150	947
Other financial expenses	270	129
Total interest and other financial expenses	1 420	1 076
Foreign exchange gain / (loss), net	356	-612
Total financial income and expenses	-797	-1 607
7. EXTRAORDINARY INCOME AND EXPENSES		
Extraordinary income		
The gain of selling associated companies	0	79
Total	0	79
8. DIRECT TAXES		
Income taxes on operations	604	245
Change in deferred tax liability	254	1 073
Total	858	1 318

Notes to the Consolidated Financial Statements

NOTES TO THE BALANCE SHEET

1. INTANGIBLE AND TANGIBLE ASSETS (1000 €)

	Intangible assets				Tangible assets					
	Formation expenses expenditure*	Goodwill	Other capitalized expenditure	Total	Land areas	Buildings and structures	Machinery and equipment	Other tangible	Advance payments	Total
Acquisition cost 1.1.2002	25	1 527	1 004	2 556	603	6 846	50 071	349	2 385	60 254
Translation difference	-4	28	7	31	-33	-393	-680	-5	-19	-1 130
Increase 1.1.–31.12.	107	257	58	422	0	0	1 173	212	227	1 612
Increase due to purchase of subsidiary	0	0	0	0	142	1 686	7 143	0	50	9 021
Decrease 1.1.–31.12.	0	0	-387	-387	0	-208	-2 865	-91	-408	-3 572
Carried forward between balance sheet items	0	0	0	0	0	0	1 090	0	-1 090	0
Acquisition cost 31.12.2002	128	1 812	682	2 622	712	7 931	55 932	465	1 145	66 185
Accumulated depreciation and write-downs 1.1.2002	0	-149	-817	-966	0	-2 135	-38 115	-287	0	-40 537
Translation difference	1	-4	-6	-9	0	54	415	6	0	475
Increase due to purchase of subsidiary	0	0	0	0	0	-440	-3 468	0	0	-3 908
Accumulated depreciation from the decrease of investments	0	0	380	380	0	208	2 640	89	0	2 937
Depreciation for the fiscal year	-18	-347	-99	-464	0	-299	-3 377	-45	0	-3 721
Accumulated depreciation and write-downs 31.12.2002	-17	-500	-542	-1 059	0	-2612	-41 905	-237	0	-44 754
Book value 31.12.2002	111	1 312	140	1 563	712	5 319	14 027	228	1 145	21 431
Book value 31.12.2001	25	1 378	187	1 590	603	4 711	11 956	62	2385	19 717

Machinery and equipment balance sheet value 31.12.2002

14 255

Machinery and equipment balance sheet value 31.12.2001

13 653

*) The foundation costs of China factory

2. INVESTMENTS

Shares and shareholdings in associated companies

	31.12.2002	31.12.2001
Acquisition cost 1.1.	0	83
Increase 1.1. - 31.12.	0	0
Decrease 1.1. - 31.12.	0	0
Purchase price 31.12.	0	83
Accumulative effects in the income statement		-83
Bookvalue 31.12.	0	0
Other shares and holdings		
Bookvalue 1.1.	76	60
Increase	16	16
Decrease	0	0
Write-downs	0	0
Bookvalue 31.12.	92	76

STOCK OWNERSHIP

Group companies:

	Group shareholding / votes, %
Evox Rifa Oy, Finland	100,0
Evox Rifa AB, Sweden	100,0
Evox Rifa Pte. Ltd, Singapore	85,0
Seoryong Singapore Pte. Ltd, Singapore	85,0
P.T. Evox S.R., Indonesia	85,0
Evox Rifa Sdn.Bhd., Malaysia	85,0
Evox Rifa GmbH, Germany	100,0
Evox Rifa (U.K.) Ltd, Great Britain	100,0
Evox Rifa Inc, USA	100,0
Dectron AB, Sweden	100,0
Nantong Evox Rifa Electrolytics Co, Ltd., China	80,0
BHC Components Ltd., Great Britain	100,0

	1.1.-31.12.2002 1000 €	1.1.-31.12.2001 1000 €
3. PREPAID EXPENSES AND ACCRUED INCOME		
Others	702	728
Total	702	728
4. SHAREHOLDERS' EQUITY		
Share capital 1.1.	4 334	4 334
New issue of shares 10.7.2002	4 335	0
Share capital 31.12.	8 669	4 334
Premium fund 1.1.		
Issue premium	1 733	0
Premium fund 31.12.	1 733	0
Reserve fund 1.1.	12 989	12 989
Changes during the fiscal year	0	0
Reserve fund 31.12.	12 989	12 989
Retained earnings 1.1.	8 324	13 518
Cumulative translation adjustment	-1 308	-198
Retained earnings 31.12.	7 016	13 320
Net profit (- loss) for the fiscal year	-8 735	-4 996
Shareholders' equity 31.12.	21 672	25 647
The part of the accumulated depreciation difference and voluntary provisions presented in the equity	88	721
DEFERRED TAX LIABILITIES AND RECEIVABLES		
Deferred tax receivables: the domestic Group companies have confirmed tax loss carry forwards totalling to EUR 3 885 211. Due to the uncertainty associated with usage of them, no computed tax receivable arising from them is recorded to the balance sheet. No tax receivables from confirmed tax losses are recorded in the foreign subsidiaries either.		
5. DEFERRED TAX LIABILITIES		
From appropriations	488	286
6. LOANS MATURING AFTER FIVE YEARS		
Loans from credit institutions	1 332	650
Pension loans	301	2 351
Total	1 633	3 001
7. ACCRUED EXPENSES OR DEFERRED INCOME		
Accrued vacation	2 507	4 261
Pension and social costs	1 434	386
Income tax	360	227
Interest	150	67
Others	2 054	1 179
Total	6 505	6 120

Notes to the Consolidated Financial Statements

OTHER NOTES

1. PLEDGES, MORTGAGES, CONTINGENT AND OTHER LIABILITIES

	31.12.2002 1000 €	31.12.2001 1000 €
Debts secured with mortgages and pledges		
Loans from credit institutions	16 899	9 095
Real estate mortgages	7 002	5 805
Mortgage on company assets	11 663	4 219
Pledged shares	6 371	0
Other pledges	1 174	0
Mortgages total	26 210	10 024
Pension loans	2 475	2 351
Real estate mortgages	0	0
Mortgage on company assets	2731	2 688
Mortgages total	2731	2 688
Mortgages given as security total	28 941	12 712
Other pledges	195	120
Deposits pledged as security for other liabilities	17	38
Total	212	158

2. RENTAL OR LEASING LIABILITIES

Due dates for financial leases with maturity exceeding one year or rental agreements irrevocable within one year are as follows:

In 2003	1 300	750
Later	2 880	3 542
Total	4 180	4 292

3. DERIVATIVE FINANCIAL INSTRUMENTS

The value of derivative contracts made to hedge exposure against foreign currency fluctuations

Foreign currency options

Bought options

Value at the contract date

5 182

5 351

Market value 31.12.

110

30

Foreign currency options

Sold options

Value at the contract date

6 810

6 994

Market value 31.12.

-13

-80

Forward contracts

Value at the contract date

1 354

1 290

Market value 31.12.

-12

50

Foreign currency options and forward contracts are used to hedge foreign currency denominated assets and liabilities against currency fluctuation. The maturity of forward contracts vary from 1-3 months. Options and forward contracts at 31.12. are valued at the year end currency exchange rates.

Income Statement and Balance Sheet of Parent Company

INCOME STATEMENT		1.1. - 31.12.2002	1.1. - 31.12.2001
		1000 €	1000 €
	NET SALES	0	0
	Other operating income	1 144	1 994
1.	Personnel expenses	-772	-792
	Depreciation and write-downs	-29	-33
	Other operating income	-1339	-1 471
		-2 140	-2 296
	OPERATING PROFIT (- LOSS)	-996	-302
2.	Financial income and expense	231	301
	PROFIT (- LOSS) BEFORE APPROPRIATIONS AND TAXES	-765	-1
	PROFIT (- LOSS) FOR THE PERIOD	-765	-1
BALANCE SHEET		31.12.2002	31.12.2001
	ASSETS	1000 €	1000 €
	NON-CURRENT ASSETS		
1.	Intangible assets		
	Other capitalized expenditure	32	36
		32	36
	Tangible assets		
	Machinery and Equipment	31	45
		31	45
	Investments, non-current		
2.	Shares in the subsidiary companies	10 452	10 452
		10 452	10 452
	CURRENT ASSETS		
3.	Non-current receivables		
	Loan receivables	10 227	8 410
		10 227	8 410
4.	Current receivables		
	Loan receivables	3 416	0
	Other receivables	2 163	1 180
	Prepaid expenses and accrued income	39	2
		5 618	1 182
	Current investments		
	Other investments	24	2 752
	Cash in hand and in banks	3 561	120
	TOTAL ASSETS	29 945	22 997
	LIABILITIES AND SHAREHOLDERS' EQUITY		
5.	SHAREHOLDERS' EQUITY		
	Share capital	8 669	4 334
	Premium fund	1 733	0
	Reserve fund	12 989	12 989
	Retained earnings	3 921	3 921
	Profit (loss) for the financial year	-765	-1
		26 547	21 243
	LIABILITIES		
	Non-current liabilities		
	Loans from credit institutions	870	1 290
		870	1 290
6.	Current liabilities		
	Loans from credit institutions	2 293	0
	Other current liabilities	134	250
	Accrued expenses and deferred income	101	214
		2 528	464
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	29 945	22 997

Cash Flow Statement of Parent Company

Operational cash flow	1.1.–31.12.2002	1.1.–31.12.2001
	1000 €	1000 €
Operating profit (loss)	-996	-302
Adjustments to operating profit (loss)		
Depreciation and write-downs	29	33
Other adjustments	2	0
Change in working capital		
Trade receivables, increase (-) decrease (+)	-1 020	-1 071
Non-interest bearing liabilities, increase (+) decrease (-)	-229	-77
Financial income and expenses	331	301
Operational cash flow	-1 883	-1 116
Investments		
Investments in other fixed assets	-13	-100
Investments cash flow	-13	-100
Cash flow before financing	-1 896	-1 216
Financing		
Share issue	6 069	0
Non-current loan receivable increase (-) decrease (+)	-1 917	-1 200
Current loan receivable increase (-) decrease (+)	-3 416	0
Non-current loans increase (+) decrease (-)	-420	0
Current loans increase (+) decrease (-)	2 293	1 290
Financing cash flow	2 609	90
Increase / Decrease in Liquid Funds	713	-1 126
Liquid funds 1.1.	2 872	3 998
Liquid funds 31.12.	3 585	2 872

Liquid funds include cash in hand and in banks, deposits in mutual interest funds.

Notes to the Financial Statements of Parent Company

NOTES TO THE INCOME STATEMENT	1.1. -31.12.2002	1.1. -31.12.2001
	1000 €	1000 €
1. PERSONNEL EXPENSES AND NUMBER OF PERSONNEL		
Salaries and fees	478	508
Pension costs	151	152
Other personnel costs	143	132
Total	772	792
Other personnel costs include both compulsory and voluntary personnel expenses.		
The management salaries and fees		
Managing director	129	132
Board of directors	32	28
Total	161	160
The retirement age of the parent company managing director has been agreed to 65 years.		
Personnel during the fiscal year (average)		
Office personnel	6	7
Total	6	7
Personnel at the end of the fiscal year		
Office personnel	5	7
Total	5	7
2. FINANCIAL INCOME AND EXPENSES		
Interest and other financial income		
Interest income from non-current investments		
Evox Rifa Group internal	417	406
External	0	0
Total	417	406
Interest income from current investments		
Evox Rifa Group internal	0	0
External	37	0
Total	37	0
Other financial income		
Evox Rifa Group internal		
External	172	0
Total	172	0
Interest expenses for the external liabilities		
Evox Rifa Group internal	0	0
External	0	36
Total	0	36
Other interest expenses		
Evox Rifa Group internal	0	0
External	105	1
Total	105	1
Other financial expenses		
Evox Rifa Group internal	0	0
External	166	55
Total	166	55
Foreign exchange gain / (loss), net	-124	-14
Total financial income and expenses	231	301

Notes to the Financial Statements of Parent Company

18

	31.12.2002 1000 €	31.12.2001 1000 €
1. INTANGIBLE AND TANGIBLE ASSETS		
Intangible assets		
Other capitalized expenditure		
Acquisition cost 1.1.	61	14
Increase 1.1. - 31.12.	13	47
Acquisition cost 31.12.	74	61
Accumulated depreciation and write-downs 1.1.	-25	0
Depreciation for the fiscal year	-17	-25
Accumulated depreciation and write-downs 31.12.	-42	-25
Book value 31.12.	32	36
Tangible assets		
Machinery and equipment		
Acquisition cost 1.1.	53	0
Increase 1.1. - 31.12.	0	53
Decrease 1.1. - 31.12.	-4	0
Acquisition cost 31.12.	49	53
Accumulated depreciation and write-downs 1.1.	-8	0
Depreciation for the fiscal year	-12	-8
Decrease 1.1. - 31.12.	2	0
Accumulated depreciation and write-downs 31.12.	-18	-8
Book value 31.12.	31	45
2. SHARES		
Shares in subsidiaries		
Acquisition cost 1.1.	10 452	10 452
Increase 1.1. - 31.12.	0	0
Decrease 1.1. - 31.12.	0	0
Accumulated acquisitions 31.12.	10 452	10 452
STOCK OWNERSHIP		
	Parent company's ownership of the stock/voting power, %	
Evox Rifa Oy, Finland	100,0	
3. NON-CURRENT RECEIVABLES FROM THE GROUP COMPANIES		
Loan receivables	10 227	8 410
4. CURRENT RECEIVABLES FROM THE GROUP COMPANIES		
Loan receivables	3 418	0
Other receivables	1 675	1 160
Prepaid expenses and accrued income	0	0
Receivables from the group companies total	5 091	1 160
CURRENT EXTERNAL RECEIVABLES		
Other receivables	488	20
Prepaid expenses and accrued income	39	2
Receivables total	527	22

	31.12.2002	31.12.2001
	1000 €	1000 €
5. SHAREHOLDERS' EQUITY		
Share capital 1.1.	4 334	4 334
New issue of shares 10.7.2002	4 335	0
Share capital 31.12.	8 669	4 334
Premium fund 1.1.		
Issue premium	1 733	0
Premium fund 31.12.	1 733	0
Reserve fund 1.1.	12 989	12 989
Changes during the fiscal year	0	0
Reserve fund 31.12.	12 989	12 989
Retained earnings 1.1.	3 921	3 921
Cumulative translation adjustment	0	0
Retained earnings 31.12.	3 921	3 921
Net profit (loss) for the fiscal year	-765	-1
Shareholders' equity 31.12.	26 547	21 243
Calculation of the distributable earnings 31.12.2002		
The Group's distributable earnings are smaller than the distributable earnings of the parent company and therefore they restrict payment of dividend.		
Retained earnings	3 921	3 921
Net profit (loss) for the period	-765	-1
Distributable earnings 31.12.	3 156	3 921
6. CURRENT LIABILITIES WITH GROUP COMPANIES		
Other short term liabilities	84	176
Accrued expenses and deferred income	0	0
Group companies total	84	176
OTHER NOTES OF PARENT COMPANY		
1. PLEDGES, MORTGAGES, CONTINGENT AND OTHER LIABILITIES	31.12.2002	31.12.2001
Debts secured with mortgages and pledges		
Loans from credit institutions	1163	0
Real estate mortgages		
Mortgage on company assets	1346	0
Mortgages total	1346	0
Pledges on behalf of Group companies		
Other pledges	815	0
	815	0
2. RENTAL OR LEASING LIABILITIES		
Due dates for financial leases with maturity exceeding one year or rental agreements irrevocable within one year are as follows:		
In 2003	85	0
Later	100	0
Total	185	0
3. DERIVATIVE FINANCIAL INSTRUMENTS		
The value of derivative contracts made to hedge exposure against foreign currency fluctuations:		
Forward contracts		
Value of the contract date	1 130	1 290
Value of contract 31.12.	-7	50

Evox Rifa Group Oyj has made forward contracts on behalf of its subsidiary, Evox Rifa AB, to hedge foreign currency denominated assets and liabilities against currency fluctuations. The maturity of forward contracts vary from 1-3 months. Forward contracts at 31.12. are valued at the year end currency exchange rates.

Consolidated Key Figures

The year 1997-2000 figures are based on proforma calculations

	1998	1999	2000	2001	2002
	1000 €	1000 €	1000 €	1000 €	1000 €
Net sales	67 961	65 814	84 162	68 968	69 839
Operating profit	-415	-2 509	4 051	-4 774	-8 942
% of net sales	-0,6%	-3,8%	4,8%	-6,9%	-12,8%
Profit (loss) before extraordinary items	-1 939	-3 166	2 492	-6 381	-9 739
% of net sales	-2,9%	-4,8%	3,0%	-9,3%	-13,9%
Profit (loss) before direct taxes	-1 939	-3 166	2 451	-6 302	-9 739
% of net sales	-2,9%	-4,8%	2,9%	-9,1%	-13,9%
Profit (loss) for the period	-1 832	-3 078	1 192	-4 996	-8 735
% of net sales	-2,7%	-4,7%	1,4%	-7,2%	-12,5%
Return on equity (ROE), %	-5,8%	-9,8%	4,7%	-17,5%	-36,3%
Return on investment (ROI), %	0,0%	-2,9%	10,4%	-10,3%	-19,1%
Equity ratio, %	49,6%	46,1%	48,7%	47,5%	36,5%
Gross investments in fixed assets	4 108	3 826	4 084	5 893	7 147
% of net sales	6,0 %	5,8 %	4,9 %	8,5 %	10,2 %
Research and development costs			3 114	2 828	2 724
% of net sales			3,7 %	4,1 %	3,9 %
Earnings / share, EUR	-0,021	-0,036	0,014	-0,059	-0,068
Equity / share, EUR	0,36	0,34	0,36	0,30	0,13
Price / earnings ratio (P/E)	..	..	15,5	-2,1	-0,9
Share prices					
low, EUR	..	..	0,20	0,11	0,04
high, EUR	..	..	0,50	0,25	0,14
average, EUR	..	..	0,29	0,16	0,09
Closing rate of the last trading day			0,22	0,12	0,06
Market value of total shares outstanding 31.12.	..	..	19 071	10 402	10 402
Share turnover, 1 000 pcs	..	..	18779	30 950	52 568
Share turnover %	..	..	21,7%	35,7%	41,0%
Total share turnover, MEUR	..	..	5267	5 972	3 930
Number of shares, 1 000	86 686	86 686	86 686	86 686	173 371
Issue-adjusted number of shares, weighted average, 1 000					128 247
Order stock, MEUR	12,3	17,3	35,6	10,5	13,6
Average number of personnel	1 354	1 241	1 406	1 336	1 288

Calculation Principles of Key Figures

RETURN ON EQUITY (ROE), %

$$100 \times \frac{\text{Profit before extraordinary items – direct taxes}}{\text{Shareholders' equity + minority share (average)}}$$

RETURN ON INVESTMENT (ROI), %

$$100 \times \frac{\text{Profit before extraordinary items + interest and other financial costs}}{\text{Balance sheet total – non-interest bearing liabilities (average)}}$$

EQUITY RATIO, %

$$100 \times \frac{\text{Shareholders' equity + minority interest}}{\text{Balance sheet total – advances received}}$$

EARNINGS / SHARE (EPS)

$$\frac{\text{Profit before extraordinary items – direct taxes – minority interest}}{\text{Adjusted average number of shares outstanding during the year}}$$

EQUITY / SHARE

$$\frac{\text{Shareholders' equity}}{\text{Adjusted average number of shares outstanding at the year end}}$$

PRICE / EARNINGS RATIO (P/E)

$$\frac{\text{Year end share price}}{\text{Earnings per share}}$$

EQUITY MARKET VALUE

$$\text{Total number of shares outstanding} \times \text{closing rate at the last day of fiscal year}$$

SHARE TURNOVER, %

$$\frac{\text{Total turnover of shares during the fiscal year}}{\text{Average number of shares during the fiscal year}}$$

Shareholders and Shares

Major Shareholders 31.12.2002

Shareholders	Number of shares	Holdings and votes %
Fennogens SA	68 191 976	39,33 %
Veikko Laine Oy	19 908 972	11,48 %
Procurator Oy	12 442 278	7,18 %
Suutari Pekka	2 288 000	1,32 %
Stadigh Kari	2 000 000	1,15 %
Salminen Teuvo	1 300 000	0,75 %
Hiekkanen Kalevi	1 208 000	0,70 %
Oksanen Markku	750 000	0,43 %
Gripenberg Gustaf	700 000	0,40 %
Nykvist Dag	554 000	0,32 %
Nominee registered shares	832 285	0,48 %

Number of nominee registered shares and shares in foreign ownership number of shares as of December 31, 2002 was 69 234 470, i.e. 40,0 % of the holdings and votes.

Management Share Ownership

Evox Rifa Group Oyj's Board members and President held a total of 20 183 322 shares, i.e. 11,6 % of the shares outstanding as of 31.12.2002. As per resolution by the extraordinary shareholders' meeting on November 14, 2000, regarding the issuance of stock options, the Board members' and President's ownership could rise 1 560 000 shares if the stock options would be exercised. After that the Board members' and President's ownership would be 21 743 322 shares, i.e. 12,0 % of the shares outstanding.

Distribution of Share Ownership 31.12.2002

By number of shares

	By number of Shareholders	% of Shareholders	Total Shares	% of Total Shares
1 - 1000	1 719	30,63 %	740 384	0,43 %
1 001 - 10000	2 739	48,80 %	11 809 912	6,81 %
10 001 - 50 000	926	16,50 %	21 688 763	12,51 %
50 001 - 100 000	124	2,21 %	9 176 738	5,29 %
100 001 -	105	1,87 %	129 955 221	74,96 %
	5 613	100,00 %	173 371 018	100,00 %

By owner groups

	Numbers of total holding	Total Holding %	Number of Shares	Total Shares %
Foreign	21	0,37 %	68 402 185	39,45 %
Households	5 226	93,11 %	60 950 271	35,16 %
Companies	339	6,04 %	42 952 418	24,77 %
Financial and insurance institutions	4	0,07 %	832 285	0,48 %
Public sector organizations	2	0,04 %	390	0,00 %
Non-profit organizations	21	0,37 %	233 469	0,13 %
Total	5 613	100,00 %	173 371 018	100,00 %

Proposal of the Board for the Distribution of Earnings

According to the Group balance sheet on December 31, 2002, the retained earnings are -1 918 thousand euros.

The parent company's distributable retained earnings are:

Not distributed previously	3 920 685,02 EUR
Loss for the period	-764 987,23 EUR
Total	3 155 697,79 EUR

23

The Board proposes the loss for the period to be transferred to the retained earnings account and not to distribute dividends.

Espoo, February 11, 2003



Jerker Molander
Chairman of the Board



Mikko Aro
Member of the Board



Georg Ehrnrooth
Member of the Board



Jarmo Niemi
Member of the Board



Henrik Ehrnrooth
Member of the Board



Pertti Laine
Member of the Board



Tuula Ylhäinen
President

Auditor's Report to the Shareholders of Evox Rifa Group Oyj

24

We have audited the accounting, the financial statements and the corporate governance of Evox Rifa Group Oyj for the period 1.1.-31.12.2002. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on corporate governance.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. The purpose of our audit of corporate governance is to examine that the members of the Board of Directors and the Managing Director have legally complied with the rules of the Companies Act.

In our opinion the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding disposal of the loss is in compliance with the Companies Act.

Helsinki, February 12, 2003

PricewaterhouseCoopers Oy
Authorised Public Accountants



Eero Suomela
Authorised Public Accountant

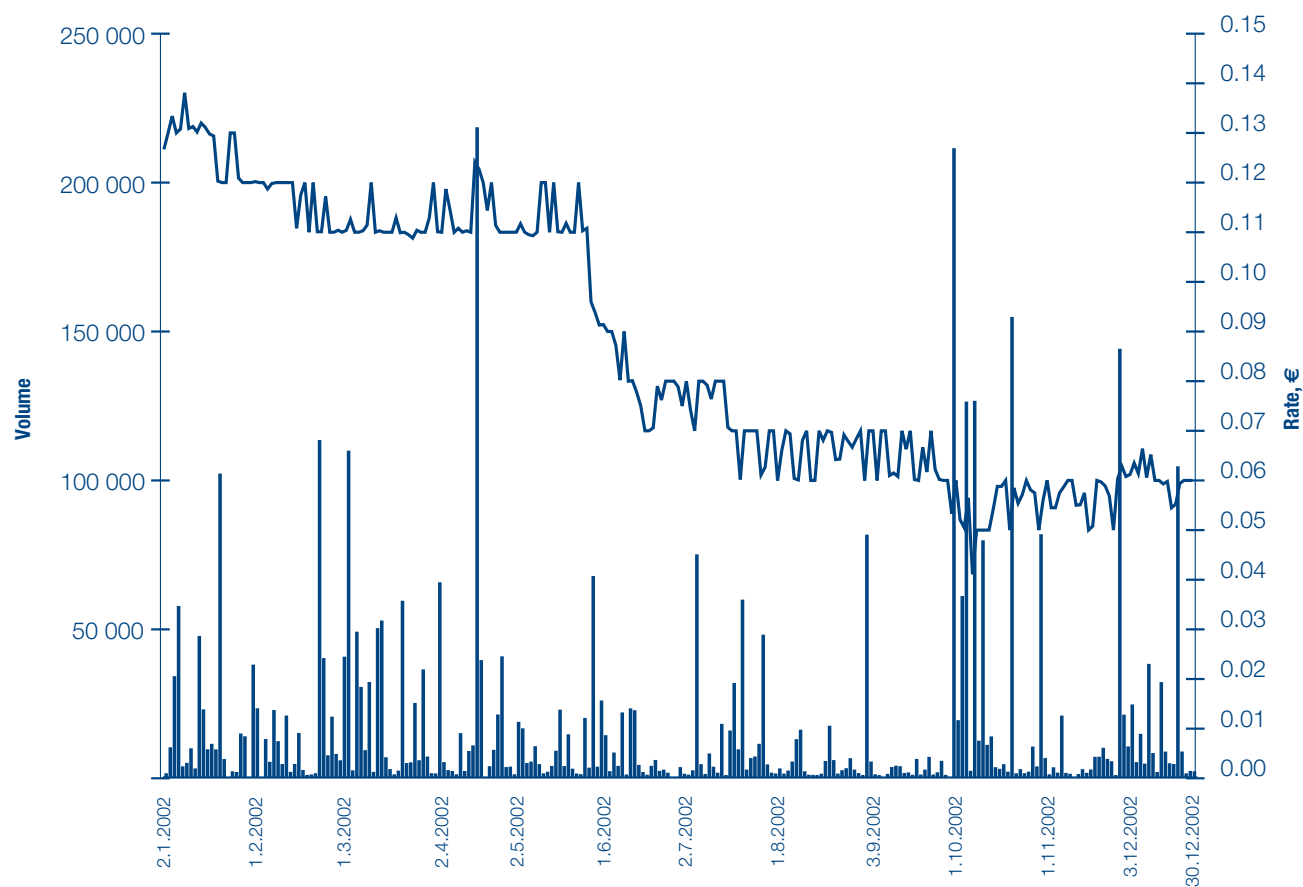
Information for Shareholders

The Annual Shareholders' Meeting of Evox Rifa Group Oyj will be held on April 2, 2003 at 9:00 a.m.

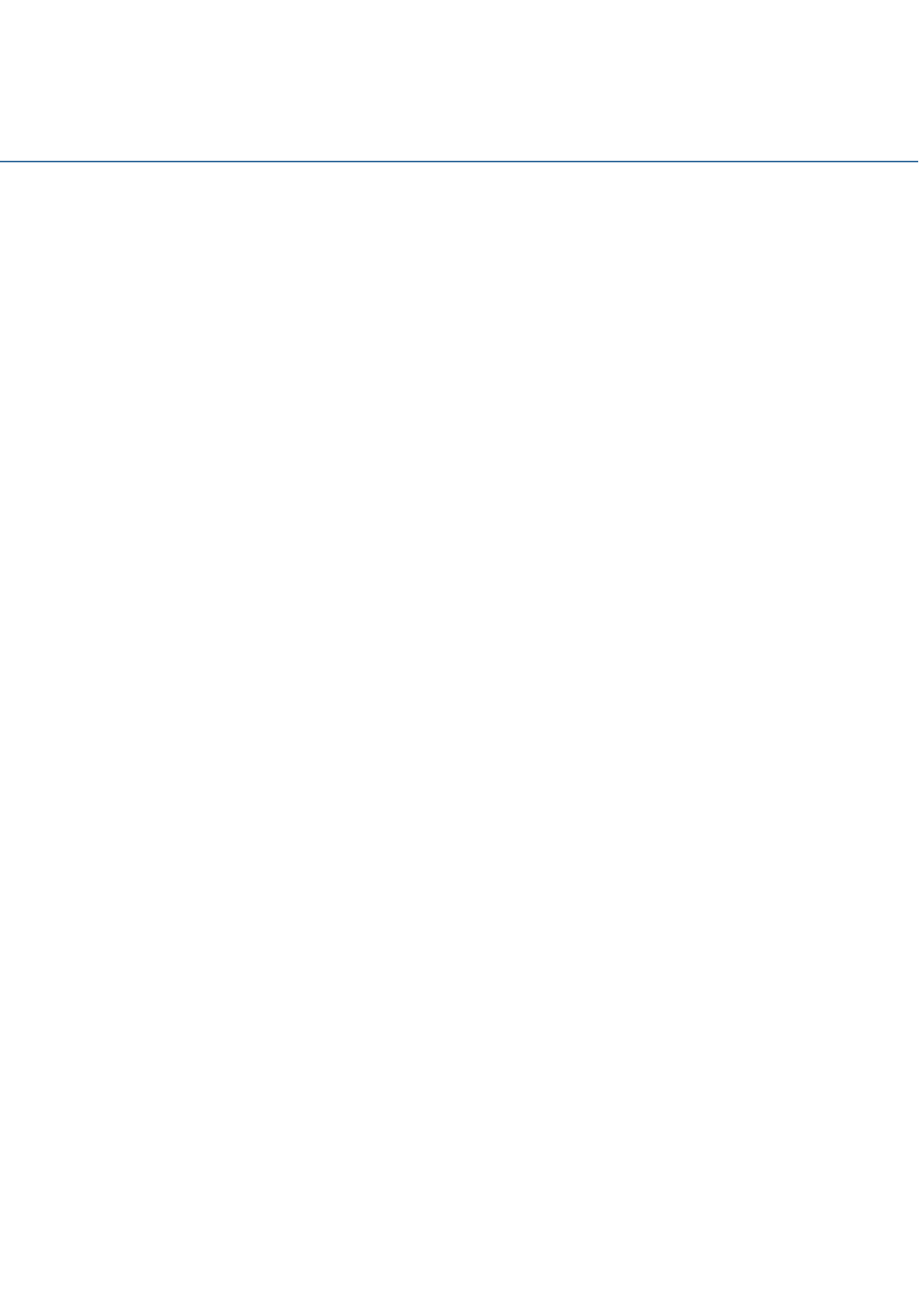
Evox Rifa Group Oyj will publish its financial information in 2003 as follows:

12.2.2003	2002 Financial Statements
April 25,2003	Interim Review for January – March 2003
August 5, 2003	Interim Review for January – June 2003
October 29, 2003	Interim Review for January – September 2003

Trading Volume and Average Rate in 2002







Evox Rifa Group Oyj
Head Office
Stella Business Park
Lars Sonckin kaari 16
02600 Espoo, Finland
Tel. +358 9 5406 5000
Fax +358 9 5406 5010
www.evoxrifa.com