

EVOX RIFA GROUP OYJ STOCK EXCHANGE RELEASE on August 5, 2003 at
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EVOX RIFA GROUP INTERIM REPORT JANUARY 1, 2003 - JUNE 30, 2003

- Net sales in the first half of 2003 increased by 29.9 percent totalling EUR 39.3 million (EUR 30.3 million in the corresponding period of 2002).
- Operating loss was 2.3 million (loss EUR 4.9 million)
- Loss before extraordinary items was EUR 3.0 million (loss EUR 4.9 million)
- Earnings per share was EUR - 0.017 (EUR -0.053)
- Order backlog on June 30, 2003 was EUR 12.8 million (EUR 16.0 million)

ECONOMIC DEVELOPMENT

Net Sales

Net sales of the Group totaled EUR 39.3 million (EUR 30.3 million) which is EUR 9.0 million more than during the same period in the previous year. The net sales of BHC Components, which was acquired in May 2002, amounted to EUR 11.4 million (EUR 3.1 million).

Profit

Operating loss of the Group was EUR 2.3 million (loss EUR 4.9 million) and loss before extraordinary items was EUR 3.0 million (loss EUR 4.9 million).

Earnings per share was EUR -0.017 (EUR -0.053) and shareholders' equity per share was EUR 0.115 (EUR 0.154).

Order backlog

The order backlog of the Group was EUR 12.8 million at the end of the first half of 2003 (EUR 16.0 million at the end of the corresponding period of 2002; with June 2003 currency rates: EUR 14,8 million). The utilisation rate of the production capacity was low and almost at the same level as in the previous year.

Price erosion has been continuous during the period, which partly explains the decrease in the value of the order backlog. Price erosion continued due to the strength of the euro. Delivery times are very

short, and key customers are increasingly supplied under JIT (Just-In-Time) arrangements, which also reduces the order backlog.

FINANCIAL STATUS AND CAPITAL EXPENDITURE

Liquid assets of the Group were EUR 5.4 million (EUR 4.1 million) and the equity ratio was 34.3 % (39.3 %) at the end of first half of 2003. Translation differences of the equities of foreign group companies (USD, GBP, SEK, SGD) caused a 0,9 MEUR decrease in equity compared to the situation at the year end in 2002.

The cash flow of the period includes a EUR 0.7 million gain on sales of assets and a EUR 0.5 million tax return. The respective gains have been included in the 2002 income statement.

The capital expenditure of EUR 0.7 million (EUR 6.4 million) includes replacement investments both in Europe and in Asia.

Operative cash flow is expected to remain positive during the rest of the year. To improve cost efficiency, efforts have been intensified to increase turnover of working capital. To improve assets utilisation Evox Rifa has started investigations to sell some of its real estates.

SHARES AND SHARE CAPITAL

The nominal value of the shares of Evox Rifa Group Oyj is EUR 0.05, the number of shares was 173.371.018 on June 30, 2003 and the share capital was EUR 8.668.550,90.

PERSONNEL

The average number of personnel of Evox Rifa Group during the first half of 2003 was 1212 (1183 during the corresponding period in 2002). The decision to make 50 persons redundant at the Kalmar factory in Sweden was made in January - the cost saving effects will be seen during the second half of 2003.

BUSINESS AREA ELECTROLYTIC CAPACITORS

Net sales of the Business Area were EUR 20.2 million. Price erosion increased during the period, and demand in the European market is slowing down. The JIT concept has enabled more efficient production planning, and the Business Area has been able to meet the demands of short delivery times.

Profitability of the Chinese operation has developed as expected, without major disturbances from the effects of SARS. Profitability of the Business Area during the second quarter remained at the same level as in the first quarter of 2003. The ongoing process development projects will improve profitability in the future.

BUSINESS AREA FILM CAPACITORS

Net sales of the Business Area were EUR 19.3 million. The SARS outbreak caused a slowdown in the Asian market during the second quarter. The market is now recovering, but with strong price pressure continuing. Demand in Europe during the second quarter has been lower than during the first quarter of the year. Uncertainty is expected to continue in the European market in the near future.

The transfer of the small size plastic film capacitor production from Sweden to Indonesia was finalised as planned, and the capacity can be fully utilised from the third quarter on.

Marketing efforts of the full SMD (Surface Mounted Device) product range according to the Matsushita (Panasonic) agreement continued, with a positive feedback from the market.

The profitability of the European plants did not improve as expected during the second quarter, mainly because of the strong euro and low demand in Europe.

OUTLOOK FOR THE YEAR 2003

Evox Rifa's market environment is continuously uncertain. The situation is not likely to improve in the USA or Europe during the third quarter of 2003. The sales reflects the general economic weakness in Europe and the USA. Growth in Asia will continue, but with hard price pressures.

Evox Rifa will continue to cut costs and improve the efficiency of its operations. The synergies within the group will be further utilised in all business processes, with a strong emphasis on global logistics and local service.

INCOME STATEMENT OF EVOX RIFA GROUP

1.1.-	1.1.-	1.1.-
30.6.2003	30.6.2002	31.12.2002

	1000 EUR	1000 EUR	1000 EUR
NET SALES	39 342	30 290	69 839
Operating expenses	-39 716	-33 162	-74 596
Depreciations and write-downs	-1 975	-2 015	-4 185
OPERATING PROFIT (LOSS)	-2 349	-4 887	-8 942
Financial income and expenses	-675	34	- 797
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS	-3 024	-4 853	-9 739
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	-3 024	-4 853	-9 739
NET PROFIT (LOSS) FOR THE PERIOD	-2 907	-4 612	-8 735

BALANCE SHEET OF THE GROUP

ASSETS

	30.6.2003 1000 EUR	30.6.2002 1000 EUR	31.12.2002 1000 EUR
FIXED ASSETS AND OTHER NON- CURRENT ASSETS			
Intangible assets	1 319	2 262	1 563
Tangible assets	22 175	23 342	21 431
Investments, non-current	110	92	92
INVENTORIES AND CURRENT ASSETS			
Inventories	14 297	15 093	13 634
Long-term receivables	0	5	0
Short-term receivables	16 844	24 897	18 802
Cash and bank receivables	5 424	4 149	5 945
TOTAL NON-CURRENT AND CURRENT ASSETS	60 169	69 840	61 467

LIABILITIES AND SHAREHOLDERS' EQUITY

Share capital	8 669	4 334	8 669
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Other restricted equity	16 666	19 057	14 722
Non-restricted equity	-5 413	3 349	-1 719
TOTAL SHAREHOLDERS' EQUITY	19 922	26 740	21 672
MINORITY INTEREST	694	725	788
LIABILITIES			
Deferred tax liability	1 277	762	488
Long-term liabilities	18 912	21 381	20 250
Short-term liabilities	19 364	20 232	18 269
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	60 169	69 840	61 467

EVOX RIFA GROUP CASH FLOW STATEMENT

	1.1. - 30.6.2003 1000 EUR	1.1. - 30.6.2002 1000 EUR	1.1.- 31.12.2002 1000 EUR
Net cash from operating activities	1 631	-1 482	-5 591
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Group Companies		-4 933	-5 329
Purchase of tangible and intangible assets	-709	-1 512	-1 683
Proceeds from sale of tangible and intangible assets	719		297
Net cash used in(-)/provided by(+) investing activities	10	-6 445	-6 715
CASH FLOW FROM FINANCING ACTIVITIES			
Share issue			6 069
Change in interest bearing loans	-1 944	5 221	5 598
Translation adjustment	-218	446	175
Net cash used in(-)/ provided by(+) financing activities	-2 162	5 667	11 842
Increase(+)/decrease(-) in cash and cash equivalents	-521	-2 260	-464
Cash and cash equivalents at the beginning of the period	5 945	6 409	6 409
Cash and cash equivalents at the end of the period	5 424	4 149	5 945

The figures in the Group cash flow statement cannot be directly traced from the balance sheet due to translation differences and elimination of non-cash items.

EVOX RIFA GROUP KEY FIGURES

	30.6.2003	30.6.2002	31.12.2002
Return on equity %, ROE	-27.3%	-34.5%	-36.3%
Return on investment %, ROI	-10.1%	-19.5%	-19.1%
Equity ratio %	34.3%	39.3%	36.5%
Gross investments in fixed assets, TEUR	709	6 509	7 147
% of net sales	1.8%	21.5%	10.2%
Earnings per share, EUR	-0,017	-0,053	-0,068
Equity per share, EUR	0.115	0.154	0.125
Order backlog, MEUR	12.8	16.0	13.6
Personnel, average	1 212	1 183	1 288

DERIVATIVE CONTRACTS

The company uses forward contracts and currency options to hedge foreign currency denominated balance sheet items against exchange rate fluctuations. The maturity of the forward contracts and currency options vary from 1 to 3 months.

The market values of off-balance sheet derivative contracts made to hedge the exchange rates fluctuations (1000 EUR):

Currency options

Bought options

Value at the time of contract	3 388
Market value 30.6.	45

Sold options

Value at the time of contract	6 792
Market value 30.6.	-29

The figures of this interim report are unaudited.

In Espoo on August 5, 2003

EVOX RIFA GROUP OYJ

Tuula Ylhäinen
President

For further information please contact: Evox Rifa Group Oyj, Tuula Ylhäinen, President, tel. +358 9 5406 5001

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