

FINANCIAL STATEMENTS 2001

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Key figures

The information during 1997–2000 are based on proforma figures.

	1997	1998	1999	2000	2001
Net sales, MEUR	77.3	68.0	65.8	84.2	69.0
EBIT, MEUR	4.1	-0.4	-2.5	4.1	-4.8
% of net sales	5.3	-0.6	-3.8	4.8	-6.9
Return on investment, %	11.3	0.0	-2.9	10.4	-10.3
Earnings per share, EUR	0.024	-0.021	-0.036	0.014	-0.059
Equity ratio, %	55.0	49.6	46.1	48.7	47.5
Personnel, average	1 366	1 354	1 241	1 406	1 336
Order backlog 31.12., MEUR	18.9	12.3	17.3	35.6	10.5

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 telecommunications and automotive, industrial and consumer electronics – in Europe, North America and Asia.

During 2001 Evox Rifa acquired the whole share capital of the Swedish company Dectron AB, and signed an agreement with the Chinese company Nantong Jianghai Capacitor Factory to start a joint venture company. The new company is called Nantong Evox Rifa Electrolytics Co., Ltd. and Evox Rifa has an 80% shareholding.

The group's parent company is Evox Rifa Group Oyj, Finland; the other group companies (in addition to those mentioned above) are Evox Rifa Oy, Finland, Evox Rifa AB, Sweden; Evox Rifa Pte. Ltd, Singapore; Seoryong Singapore Pte. Ltd, Singapore; P.T. Evox S.R., Indonesia; Evox Rifa Sdn.Bhd., Malaysia; Evox Rifa GmbH, Germany; Evox Rifa (U.K.) Ltd, United Kingdom; and Evox Rifa Inc, USA.

Evox Rifa sold its 30 percent holding in Schaffner EMC Pte. Ltd., Singapore, to the main owner.

Market survey

During 2001 the market was in a weak state throughout the electronics industry, as customer companies and the entire supply chain ran down their existing stocks and adjusted their operations to lower volumes. The entire sector experienced an unprecedented decline in demand, which also led to a major decline in demand for Evox Rifa's capacitors, resulting in a fall in production volumes.

Financial performance

The year 2001 was the first full financial year for Evox Rifa Group Oyj, which was established on November 1, 2000 as a result of the demerger of Finvest Oyj. For this reason, the financial information for the previous year presented for comparison consists of pro forma figures.

The group's net sales declined about 18 % from the previous year to EUR 69.0 million (EUR 84.2 million in 2000), following the strong downturn in the economy that started early in 2001. The North American markets were hit hardest, falling by 26%. Telecommunications suffered most from the effects of the global recession. For comparison, the net sales of the entire global semiconductor business decreased by 31.9% in 2001.

Among Evox Rifa's product groups, aluminium electrolytic capacitors increased their sales slightly on the previous year, since the customer segments for these products – industrial electronics and the automotive industry – were not so strongly affected by the economic downturn.

During 2001 Evox Rifa succeeded in breaking into a growing number of new applications in the automotive industry with its products, and also won major new customers in industrial electronics. The industrial electronics sector strongly increased its proportion of Evox Rifa's revenues and was the largest of the

company's customer segments.

Among Evox Rifa's product groups, aluminium electrolytic capacitors accounted for an increased proportion, nearly 30%, of total revenues. Film capacitors still formed the largest single product group, however, accounting for a third of the company's net sales.

The group's profitability considerably weakened compared to the previous year because of low sales volumes. The operating loss was EUR 4.8 million (operating profit of EUR 4.1 million in 2000). The loss before extraordinary items was EUR 6.4 million (profit of EUR 2.5 million in 2000).

The earnings per share was EUR -0.059 (EUR 0.014) and the shareholders' equity per share EUR 0.296 (EUR 0.356).

The order backlog of Evox Rifa Group decreased rapidly due to the unfavourable market situation and stood at EUR 10.5 million at the end of 2001 (EUR 35.6 million at the end of 2000).

The financial status of Evox Rifa Group weakened during 2001. However, the cash flow was positive after the changes in working capital achieved through the savings programmes and other actions taken to improve the cash flow.

Despite the weak financial situation, the group was able to carry out its important strategic investments to improve production efficiency, and to complete the acquisition of Dectron AB and start up the Chinese joint venture (Nantong Evox Rifa Electrolytics Co., Ltd.). Gross capital expenditure in fixed assets amounted to EUR 5.9 million.

At the end of the year, the group's liquid assets totalled EUR 6.4 million and the company's net debt was approximately EUR 10.5 million. The group's equity ratio was 47.5 % (48.7% in 2000).

Shares and share capital

The Evox Rifa Group Oyj shares have a nominal value of EUR 0.05. On December 31, 2001 the number of shares was 86 685 509 and the share capital was EUR 4 334 275.45.

On April 11, 2001, the Shareholders' Meeting of Evox Rifa Group Oyj resolved to authorise the Board of Directors to decide to increase the share capital by one or several new issues and/or to take one or several convertible loans, so that in a new issue of shares and/or in convertible loans the share capital may be increased by an aggregate maximum amount of EUR 866,855.

The above mentioned Shareholders' Meeting also resolved to cancel the authorisation given by the Shareholders' Meeting on 14 November, 2000. The Board of Directors did not use this authorisation. (All the proposals by the Board of Directors were listed in the invitation to Shareholders' Meeting published on March 20, 2001 as a Stock Exchange Bulletin). The Board of Directors did not have authorisation to purchase company's own shares.

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 later named key personnel of the Evox Rifa Group Oyj, to the management of the Evox Rifa Group Oyj as well as to a subsidiary of the Group.

The stock options are allocated as follows: 2,000,000 will be

marked with the letter A, 2,500,000 with the letter B and 3,000,000 with the letter C. The subscription period of the A-shares is 31 December 2001 – 31 December 2006 and the subscription price is the average trading price of the Company's share weighted with trading volumes 30 days after listing + 10%. The subscription period of the B-shares is 31 December 2003 – 31 December 2006 and the subscription price is the average trading price of the Company's shares weighted with trading volumes 30 days after 31 December 2001 + 15%. The subscription period of the C-shares is 31 December 2004 – 31 December 2006 and the subscription price is the average trading price of the Company's shares weighted with trading volumes 30 days after 31 December 2002 + 15%. From the share subscription price shall be deducted the amount of dividends resolved upon and distributed before the subscription of shares. 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 increased by a maximum of EUR 375,000. The shares must be paid when subscribed for.

Personnel

At the end of the fiscal year Evox Rifa Group had 1186 employees (1504 in 2000), of whom 941 (1256) were factory personnel and 245 (248) office staff. The group had on average 1336 (1406) employees during the fiscal year, of whom 1095 (1164) were factory personnel and 241 (242) office staff.

Because of the weak market situation Evox Rifa carried out strong measures affecting personnel in order to cut costs. Temporary lay-offs affecting all personnel groups continue at the Suomussalmi factory and personnel negotiations ended with the decision to make 39 people redundant. The decision was taken to make nearly 150 people redundant at Evox Rifa's Swedish factories. These personnel reductions will mainly take place during the spring of 2002.

Research and development

The prevailing unfavourable state of the market, starting in the spring of 2001, highlighted the importance of developing customised solutions, as demand for mass-produced items declined. During 2001, Evox Rifa's capacitor engineering partnerships with customers made encouraging progress, especially in the automotive industry and in industrial electronics.

In 2001 Evox Rifa signed an agreement to join an EU project to develop passive components for extremely high temperatures. Evox Rifa is responsible for developing plastic film capacitors in a consortium led by Daimler-Chrysler.

The acquisition of the Swedish company Dectron AB in 2001 gives a major boost to Evox Rifa's product development work. Dectron has, for example, a complete EMC testing laboratory, which is a major help in developing interference suppression capacitors.

Evox Rifa developed several completely new product families in 2001. R & D requirements focus in particular on further

reducing the size of components and on cost efficiency. Evox Rifa has in fact in the past few years switched increasingly to developing products that apply surface mount technology.

The group's R & D expenditure was 4,1 % of revenues in 2001.

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 2002 – 2003.

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 comprises the following persons:

Chairman, Jerker Molander, and Board Members: Mikko J. Aro, Georg Ehrnrooth (as from April 11, 2001); Jarmo Niemi and Anders Oldenburg.

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

The President of Evox Rifa Group Oyj was Mr. Harri Launonen MSc. (Tech.)

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

Outlook for 2002

The economic uncertainty will continue during 2002 in most of Evox Rifa's customer sectors, which makes it difficult to predict market developments. Some customer sectors do, however, expect to see a gradual improvement from the second quarter onwards.

Evox Rifa's result for the first quarter of 2002 will remain negative, in part because of the redundancy costs. The savings from the personnel reductions will not be felt until the second quarter.

The primary goals for 2002 are to improve profitability and the cash flow. We will also develop our capabilities so that we can adapt more flexibly to rapid changes in the state of the market and to the way this affects the business environment.

The new factory in China will start producing electrolytic capacitors during the second quarter of 2002. This factory will give a major boost to our product range and to our global competitiveness.

Consolidated Income Statement

	1.1.-31.12.2001 1000 €	PRO FORMA 1.1.-31.12.2000 1000 €
1 NET SALES	68 968	84 162
Change in finished goods and work in progress inventories	-2 824	2 272
Production for own use	51	49
2 Other operating income	101	282
Share of associated companies' profits (+) / losses (-)	0	-38
3 Materials and services	-21 717	-28 915
4 Personnel expenses	-32 692	-36 929
5 Depreciation and write-downs	-3 545	-3 338
Other operating expenses	-13 115	-13 494
	-71 070	-82 676
OPERATING PROFIT (LOSS)	-4 774	4 051
6 Financial income and expense	-1 607	-1 559
	-6 381	2 492
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS	-6 381	2 492
7 Extraordinary income (+) and expense (-)	79	-41
	-6 302	2 451
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	-6 302	2 451
8 Direct taxes	1 318	-1 060
Minority interest	-12	-199
PROFIT (LOSS) FOR THE PERIOD	-4 996	1 192

Consolidated Balance Sheet

ASSETS	31.12.2001 1000 €	PRO FORMA 31.12.2000 1000 €
FIXED ASSETS AND OTHER NON-CURRENT ASSETS		
1 Intangible assets		
Formation expenses	25	0
Goodwill	1 378	0
Other capitalized expenditure	187	169
	1 590	169
Tangible assets		
Land areas	603	639
Buildings and structures	4 711	5 125
Machinery and equipment	11 956	11 850
Other tangible assets	62	90
Advance payments and fixed assets in progress	2 385	2 540
	19 717	20 244
2 Investments, non-current		
Shares in associated companies	0	83
Other shares and shareholdings	76	60
	76	143
FIXED ASSETS AND OTHER NON-CURRENT ASSETS TOTAL	21 383	20 556
CURRENT ASSETS		
Inventories		
Raw materials and supplies	7191	6 406
Work in progress	2126	3 667
Finished goods	6318	7 756
	15 635	17 829
3 Non-current receivables		
Other receivables	0	433
	0	433
Current receivables		
Accounts receivable	9 822	16 319
Loan receivable	55	73
3 Other receivable	1 704	1 757
4 Prepaid expenses and accrued income	728	729
	12 309	18 878
Current investments		
Other investments	2 753	4 612
Cash in hand and in banks	3 656	2 298
	6 409	6 910
TOTAL CURRENT ASSETS	34 353	44 050
TOTAL ASSETS	55 736	64 606

SHAREHOLDERS' EQUITY AND LIABILITIES		31.12.2001	PRO FORMA
		1000 €	31.12.2000
			1000 €
5	SHAREHOLDERS' EQUITY		
	Share capital	4 334	4 334
	Reserve fund	12 989	12 989
	Retained earnings	13 320	12 326
	Net profit (loss) for the period	-4 996	1 192
	TOTAL SHAREHOLDERS' EQUITY	25 647	30 841
	MINORITY INTEREST	833	612
	LIABILITIES		
6	Deferred tax liability	286	1 374
7	Non-current liabilities		
	Loans from credit institutions	12 673	11 869
	Pension loans	2 351	3 153
	Other non-current loans	430	
	Total non-current liabilities	15 454	15 022
	Current liabilities		
	Current loans from credit institutions	1 920	1 300
	Advances received	4	6
	Accounts payable	3 970	5 910
	Other current liabilities	1 502	2 382
8	Accrued expenses and deferred income	6 120	7 160
	Total current liabilities	13 516	16 758
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	55 736	64 606

Consolidated Cash Flow Statement

	2001 1000 €	PRO FORMA 2000 1000 €
Operational Cash Flow		
Operating profit (loss)	-4 774	4 051
Share of profit of associated companies	0	38
Depreciation and write-downs	3 545	3 338
Financial income and expense	-1 607	-1 559
Direct taxes	230	-1 060
	-2 606	4 808
Change in Working Capital		
Inventories, increase (-) decrease (+)	2 194	-2 251
Trade receivables, increase (-) decrease (+)	6 551	-2 742
Non-interest bearing loans, increase (-) decrease (+)	-3 782	3 556
Operational cash flow	2 357	3 371
Investments		
Investments in shares, net	67	14
Investments in other fixed assets, net	-3 821	-3 786
Total investments cashflow	-3 754	-3 772
Cashflow before financing	-1 397	-401
Financing		
Loan receivable increase (+) decrease (-)	18	-15
Other receivables increase (+) decrease (-)	433	18
Non-current loans increase (+) decrease (-)	2	-219
Other non-current debt increase (+) decrease (-)	430	606
Current loans increase (+) decrease (-)	620	-5 794
Foreign currency translation adjustment	-607	-5
Total financing cashflow	-896	-5 409
Increase / Decrease in Liquid Funds	-501	-5 810
Liquid funds 1.1.	6 910	12 720
Liquid funds 31.12.	6 409	6 910

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

The Accounting Principles of Group Consolidation

The scope of consolidation

The consolidation includes the parent company and those subsidiaries in which the parent company 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 totally recorded in the owners' equity.

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

The part of such companies' results in which 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 planned depreciations of fixed assets are based on the original acquisition costs and estimated economical useful life applying straight line basis. Other capitalized expenditure are 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 repurchase 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 where they were born.

Principles of the pro forma calculations

Information concerning the years of comparison are shown as proforma numbers because Evox Rifa Group Oyj was established on November 1, 2000 as a result of Finvest Oyj's demerger and, therefore, actual numbers do not exist.

The proforma comparable information represent situation where the company would have existed as an independent enterprise already from the beginning of year 2000. Proforma calculations are based on Evox Rifa Oy's statutory financial statements to which computative adjustments are made. Most important adjustments are commented below.

The most significant difference to the pro forma calculations presented in the Finvest demerger document is a refund of pension insurance fee from the Swedish SPP-insurance company in October 2000. The discounted net present value of that pension insurance receivable totals 1,1 MEUR and is included in the group's opening balance of November 1, 2000. The pro forma income statements and balance sheets are based on the assumption that the pension fees have been on the right level in those years from which the pension refund is calculated from. This means that personnel expenses are 0,4 MEUR smaller in 1996, 0,4 MEUR smaller than in 1997 and 0,1 MEUR smaller than in 1998 compared to the personnel expenses in the Finvest demerger document. The tax effect due to the decrease of the personnel expenses is booked to respective years. The effect of those corrections is positive to the pro forma results.

The pension insurance receivable is similarly presumed to have been generated during the same years where it is calculated from. Due to that, the receivable is 0,7 MEUR higher than in 1996, 1,1 MEUR higher in 1997 and 1,2 MEUR higher in 1998 and in 1999 than in the Finvest demerger document. In 2000 the amount money for that receivable is 0,1 MEUR.

The above described accounting for the pension receivable affects mostly to those key figures based on the owners' equity.

Notes to the Consolidated Financial Statements

INCOME STATEMENT NOTES	1.1.–31.12.2001 1000 €	PRO FORMA 1.1.–31.12.2000 1000 €
1. NET SALES		
Net sales by product groups		
Film	22 926	32 015
Paper	17 165	22 269
Electrolytics	20 010	19 450
Inductive	1 998	3 291
Others	6 869	7 137
Total	68 968	84 162
Net sales by sales regions		
Finland	2 085	2 754
Other Nordic countries	10 361	11 936
Other European countries	27 910	33 946
Asia	13 296	16 404
Northern America	12 968	17 442
Others	2 348	1 680
Total	68 968	84 162
Net sales by customer groups		
Telecommunication	3 483	10 805
Industrial	16 263	11 947
Lightning	9 645	9 122
Office electronics	4 029	9 918
Consumer electronics	6 329	7 725
Automotive	4 966	7 145
Contract manufacturing	4 930	2 644
Distributors	14 737	17 254
Others	4 586	7 602
Total	68 968	84 162
2. OTHER OPERATING INCOME		
Gains from sales of fixed assets	34	9
Other	67	273
Total	101	282
3. MATERIALS AND SERVICES		
Materials and supplies		
Materials and supplies purchases during the period	22 286	28 984
Outside services	55	77
Increase (-) / Decrease (+) in inventory	-624	-146
Total	21 717	28 915
4. PERSONNEL EXPENSES AND NUMBER OF PERSONNEL		
Salaries and fees	23 767	27 207
Pension cost	3 768	3 672
Other personnel cost	5 157	6 050
Total	32 692	36 929
Other personnel cost includes both compulsory and voluntary personnel expense.		
The management salaries and fees		
Managing directors	518	958
Board of directors	36	31
Total	554	989
The retirement age for the parent company managing director has been agreed to 60 years.		
Personnel during the fiscal year (average)		
Office employees	241	242
Other employees	1 095	1 164
Total	1 336	1 406

Personnel at the end of the fiscal year		
Office employees	245	248
Other employees	941	1 256
Total	1 186	1 504
5. DEPRECIATIONS AND WRITE-DOWNS		
Deprecations for the tangible and intangible fixed assets	3 545	3 338
Total	3 545	3 338
Specification of the depreciation of various balance sheet items is included in paragraph "Intangible and tangible assets"		
6. FINANCIAL EXPENSE AND INCOME		
Interest and other financial income		
Interest income from current investments	36	258
Other financial income	45	2
Total Interest income and other financial income	81	260
Interest and other financial expenses		
Interest expenses	947	1 419
Other interest expenses	129	76
Total interest and other financial expenses	1 076	1 495
Foreign exchange gain/(loss), net	-612	-324
Total Financial income and expense	-1 607	-1 559
7. EXTRAORDINARY INCOME AND EXPENSE		
Extraordinary income		
The gain of selling associated companies	79	0
Extraordinary expense		
Redemption cost of pension loan	0	-41
Total	0	-41
8. DIRECT TAXES		
Income taxes on operations	245	-454
Change in deferred tax liability	1 073	-606
Total	1 318	-1 060

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 1.1.2001	0	0	916	916	603	6 889	47 303	285	2540	57 620
Increase 1.1. - 31.12.	25	1 527	154	1 706			2 768	165	239	3172
Decrease 1.1. - 31.12.		0	-66	-66		-43		-101	-394	-538
Acquisition cost 31.12.2001	25	1 527	1 004	2 556	603	6 846	50 071	349	2 385	60 254
Accumulated depreciation and write-downs 1.1.2001	0	0	-747	-747	0	-1 764	-35 453	-195		-37 412
Accumulated depreciation from the decrease of investments			23	23		-67	313	-67		179
Depreciation for the fiscal year	0	-149	-93	-242		-304	-2 975	-25		-3 304
Write-downs for the fiscal year										
Accumulated depreciation and write-downs 31.12.2001	0	-149	-817	-966		-2 135	-38 115	-287	0	-40 537
Book value 31.12.2001	25*)	1 378	187	1 590	603	4 711	11 956	62	2 385	19 717
Book value 31.12.2000	0	0	169	169	603	5 125	11 850	90	2 540	20 244
Machinery and equipment balance sheet value 31.12.2001							13 653			
Machinery and equipment balance sheet value 31.12.2000							10 145			

*) Formation expenses for Evox Rifa Electrolytics Co, Ltd., Nantong, China.

2. INVESTMENTS

Shares and shareholdings in associated companies		
Acquisition cost 1.1.	83	109
Increase 1.1. - 31.12.	0	0
Decrease 1.1. - 31.12.	0	0
Purchase price 31.12.	83	109
Accumulative effects in the income statement	-83	-26
Bookvalue 31.12.	0	83
Other shares and holdings		
Bookvalue 1.1.	60	17
Increase	16	57
Decrease		-14
Write-downs	0	0
Bookvalue 31.12.	76	60

STOCK OWNERSHIP

	Group shareholding / votes, %	
Group companies		
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	
Rifa Evox (U.K.) Ltd, UK	100.0	
Evox Rifa Inc, USA	100.0	
Dectron AB, Sweden	100.0	
Nantong Evox Rifa Electrolytics Co, Ltd., China	80.0	
Associated companies:		
Schaffner EMC Pte. Ltd.	0	30

3. OTHER RECEIVABLES		
Non-current receivable from SPP	0	433
Current receivable from SPP	0	715
Other current receivables	1 704	1 042
	1 704	2 190
4. PREPAID EXPENSES AND ACCRUED INCOME		
Pension insurance premium	0	220
Others	728	509
Total	728	729
5. SHAREHOLDERS' EQUITY		
Share capital 1.1.	4 334	4 334
Changes during the fiscal year		
Share capital 31.12.	4 334	4 334
Reserve fund 1.1.	12 989	12 989
Changes during the fiscal year		
Reserve fund 31.12.	12 989	12 989
Retained earnings 1.1.	13 518	12 741
Cumulative translation adjustment	-198	-415
Retained earnings 31.12.	13 320	12 326
Net profit (- loss) for the fiscal year	-4 996	1 192
Shareholders' equity 31.12.	25 647	30 841
The part of the accumulated depreciation difference and voluntary provisions presented in the equity	721	2 809
DEFERRED TAX LIABILITIES AND RECEIVABLES		
Deferred tax receivables: the domestic subsidiary of the Group has confirmed tax loss carry forwards totalling to EUR 2 296 752. 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.		
6. DEFERRED TAX LIABILITIES AND RECEIVABLES		
From appropriations	286	1 374
7. LOANS MATURING AFTER FIVE YEARS		
Loans from credit institutions	650	1 132
Pension loans	2 351	3 153
Total	3 001	4 285
8. ACCRUED EXPENSE OR DEFERRED INCOME		
Accrued vacation	4 261	4 012
Social costs	340	1 397
Others	1 519	1 751
Total	6 120	7 160

Notes to the Consolidated Financial Statements

OTHER NOTES

1. PLEDGES, MORTGAGES, CONTINGENT AND OTHER LIABILITIES

	31.12.2001 1000 €	PRO FORMA 31.12.2000 1000 €
Debts secured with mortgages and pledges		
Loans from credit institutions	9 095	13 169
Real estate mortgages	5 805	8 150
Mortgage on company assets	4 219	4 593
Mortgages total	10 024	12 743
Pension loans	2 351	3 153
Real estate mortgages		
Mortgage on company assets	2 688	2 830
Mortgages total	2 688	2 830
Mortgages given as security total	12 712	15 573
Other pledges	120	
Stocks pledged as security for other liabilities	38	74
	158	74

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 2002	750	1 159
Later	3 542	3 627
Total	4 292	4 786

3. DERIVATIVE FINANCIAL INSTRUMENTS

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

Foreign currency options		
Bought options		
Nominal value at the contract date	5 351	7 718
Market value 31.12.	30	181
Foreign currency options		
Sold options		
Nominal value at the contract date	6 994	8 059
Market value 31.12.	-80	-16
Forward contracts		
Nominal value at the contract date	1 290	3 932
Market value 31.12.	50	51

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

Income Statement and Balance Sheet of Parent Company

INCOME STATEMENT	1.1. - 31.12.2001	1.11. - 31.12.2000
	1000 €	1000 €
NET SALES	0	0
Other operating income	1 994	0
1. Personnel expenses	-792	-271
Depreciation and write-downs	-33	
Other operating income	-1471	-214
	-2 296	-485
OPERATING PROFIT (- LOSS)	-302	-485
2. Financial income and expense	301	105
PROFIT (- LOSS) BEFORE APPROPRIATIONS AND TAXES	0	-380
PROFIT (- LOSS) FOR THE PERIOD	-1	-380
BALANCE SHEET	31.12.2001	31.12.2000
ASSETS	1000 €	1000 €
NON-CURRENT ASSETS		
1. Intangible assets		
Other capitalized expenditure	36	14
	36	14
Tangible assets		
Machinery and Equipment	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	8 410	7 210
	8 410	7 210
4. Current receivables		
Other receivables	1 180	41
Prepaid expenses and accrued income	2	70
	1 182	111
Current investments		
Other investments	2 752	3 998
Cash in hand and in banks	120	
TOTAL ASSETS	22 997	21 785
LIABILITIES AND SHAREHOLDERS' EQUITY		
5. SHAREHOLDERS' EQUITY		
Share capital	4 334	4 334
Reserve fund	12 989	12 989
Retained earnings	3 921	4 301
Profit (loss) for the financial year	-1	-380
	21 243	21 244
LIABILITIES		
Non-current liabilities		
Loans from credit institutions	1 290	0
	1 290	0
6. Current liabilities		
Other current liabilities	250	45
Accrued expenses and deferred income	214	496
	464	541
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	22 997	21 785

Cash Flow Statement of Parent Company

	2001 1000 €	2000 1000 €
Operational cash flow		
Operating profit (loss)	-302	-485
Depreciation and write-downs	33	0
Financial incomes and -expenses	301	105
	32	-380
Change in working capital		
Trade receivables, increase (-) decrease (+)	-1 071	-111
Non-interest bearing loans, increase (-) decrease (+)	-77	541
Operational cash flow	-1 116	50
Investments		
Investments in other fixed assets	-100	-14
Investments cashflow	-100	-14
Cash flow before financing	-1 216	36
Financing		
Non-current loan receivable increase (-) decrease (+)	-1 200	7 210
	1 290	0
Financing cashflow	90	7 210
Increase/Decrease in Liquid Funds	-1 126	-7 174
Liquid funds 1.11.	3 998	11 173
Liquid funds 31.12.	2 872	3 998

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

Notes to the Financial Statements of Parent Company

NOTES TO THE INCOME STATEMENT

	1.1. -31.12.2001 1000 €	1.11. -31.12.2000 1000 €
1. PERSONNEL EXPENSES AND NUMBER OF PERSONNEL		
Salaries and fees	508	211
Pension costs	152	40
Other personnel costs	132	20
Total	792	271
Other personnel costs include both compulsory and voluntary personnel expenses.		
The management salaries and fees		
Managing director	132	21
Board of directors	28	7
Total	160	28
The retirement age for the parent company managing director has been agreed to 60 years.		
Personnel during the fiscal year (average)		
Office personnel	7	5
Personnel at the end of the fiscal year		
Office personnel	7	5
2. FINANCIAL INCOME AND EXPENSES		
Interest and other financial income		
Interest income from non-current investments		
Evox Rifa Group internal	406	70
External	0	0
Total	406	70
Interest income from current investments		
Evox Rifa Group internal	0	0
External	0	35
Total	0	35
Interest and other financial expenses		
Interest expenses for the external liabilities		
Evox Rifa Group internal		
External	36	0
Total	36	0
Other interest expenses		
Evox Rifa Group internal		
External	1	0
Total	1	0
Other financial expenses		
Evox Rifa Group internal		
External	55	0
Total	55	0
Foreign exchange gain/(loss), net	-14	0
Total Financial income and expense	301	105

Notes to the Financial Statements of Parent Company

NOTES TO THE BALANCE SHEET

	31.12.2001 1000 €	31.12.2000 1000 €
1. INTANGIBLE AND TANGIBLE ASSETS		
Intangible Assets		
Other capitalized expenditure		
Acquisition cost 1.1.	14	0
Increase 1.1.-31.12.	47	14
Acquisition cost 31.12.	61	14
Accumulated Depreciation and write-downs 1.1.2001	0	0
Depreciation for the fiscal year	-25	0
Accumulated Depreciation and write-downs 31.12.	-25	0
Book value 31.12.2001	36	
Book value 31.12.2000	14	
Tangible assets		
Machinery and equipment		
Acquisition cost 1.1.	0	0
Increase 1.1.-31.12.	53	0
Decrease 1.1.-31.12.	0	0
Acquisition cost 31.12.2001	53	0
Accumulated Depreciation and write-downs 1.1.2001	0	0
Depreciation for the fiscal year	-8	0
Accumulated Depreciation and write-downs 31.12.2001	-8	0
Book value 31.12.2001	45	
Book value 31.12.2000	0	
2. SHARES		
Shares in subsidiaries		
Acquisition cost 1.1.2001	10 452	10 452
Increase 1.1. - 31.12.	0	0
Decrease 1.1. - 31.12.	0	0
Accumulated acquisitions 31.12.2001	10 452	10 452
STOCK OWNERSHIP		
	Parent company's ownership of the stock/voting power, %	
Evox Rifa Oy, Finland	100	
3. NON-CURRENT RECEIVABLES FROM THE GROUP COMPANIES		
Loan receivables	8 410	7 210
4. CURRENT RECEIVABLES FROM THE GROUP COMPANIES		
Other receivables	1 160	41
Prepaid expenses and accrued income	0	70
Receivables from the group companies total	1 160	111

CURRENT EXTERNAL RECEIVABLES

Other receivables	20	0
Prepaid expenses and accrued income	2	0
Receivables total	22	0

5. SHAREHOLDERS EQUITY

Share capital 1.11.	4 334	4 334
Changes during the fiscal year		
Share capital 31.12.	4 334	4 334
Reserve fund 1.11.	12 989	12 989
Changes during the fiscal year		
Reserve fund 31.12.	12 989	12 989
Retained earnings 1.1.	3 921	4 301
Cumulative translation adjustment		
Retained earnings 31.12.	3 921	4 301
Net profit (loss) for the fiscal year	-1	-380
Shareholders' equity 31.12.	21 243	21 244
Calculation of the distributable earnings 31.12.2001		
The Group's distributable earnings are greater than the distributable earnings of the parent company and, therefore, do not restrict payment of dividend.		
Retained earnings	3 921	4 301
Net profit (loss) for the period	-1	-380
DISTRIBUTABLE EARNINGS 31.12.	3 921	3 921

6. NON-CURRENT LIABILITIES WITH GROUP COMPANIES

Other short term liabilities	176	45
Accrued expenses and deferred income	0	496
Group companies total	176	541

7. DERIVATIVE FINANCIAL INSTRUMENTS

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

Forward contracts		
Nominal value of the contract date	1 290	3 932
Value of contract 31.12.	50	51

Evox Rifa Oyj's has made forward contracts 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 rates.

Consolidated key figures

The 1997-2000 figures are based on proforma calculations

	1997	1998	1999	2000	2001
	1000 €	1000 €	1000 €	1000 €	1000 €
Net sales	77 276	67 961	65 814	84 162	68 968
Operating profit	4 126	-415	-2 509	4 051	-4 774
% of net sales	5.3%	-0.6%	-3.8%	4.8%	-6.9%
Profit (loss) before extraordinary items	3 629	-1 939	-3 166	2 492	-6 381
% of net sales	4.7%	-2.9%	-4.8%	3.0%	-9.3%
Profit (loss) before direct taxes	3 629	-1 939	-3 166	2 451	-6 302
% of net sales	4.7%	-2.9%	-4.8%	2.9%	-9.1%
The profit(loss) for the period	2 038	-1 832	-3 078	1 192	-4 996
% of net sales	-2.6%	-2.7%	-4.7%	1.4%	-7.2%
Return on equity (ROE), %	5.7%	-5.8%	-9.8%	4.7%	-17.5%
Return on investment (ROI), %	11.3%	0.0%	-2.9%	10.4%	-10.3%
Equity ratio, %	55.0%	49.6%	46.1%	48.7%	47.5%
Gross investments in fixed assets	6 532	4 108	3 826	4 084	5 893
% of net sales	8.5 %	6.0 %	5.8 %	4.9 %	8.5 %
Earnings / share (EPS), EUR	0.024	-0.021	-0.036	0.014	-0.059
Equity / share, EUR	0.39	0.36	0.34	0.36	0.30
Price / earnings ratio (P/E)	..	..	..	15.5	-2.1
Share prices					
low, EUR	..	..	..	0.20	0.11
high, EUR	..	..	..	0.50	0.25
average, EUR	..	..	..	0.29	0.16
Closing rate of the last trading day				0.22	0.12
Market value of total shares outstanding 31.12.	..	..	..	19 071	10 402
Share turnover, 1000 pcs	..	..	..	18 779	30 950
Share turnover %	..	..	..	21.7%	35.7%
Total share turnover, MEUR	..	..	..	5 267	5 972
Number of shares, 1 000 pcs	86 686	86 686	86 686	86 686	86 686
Order stock, MEUR	18.9	12.3	17.3	35.6	10.5
Average number of personnel	1 366	1 354	1 241	1 406	1 336

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

Total number of shares outstanding x 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 31.12.2001

Shareholders	Number of shares	Holdings and votes %
Fennogens SA	29 288 921	33.79 %
Veikko Laine Oy	8 571 500	9.89 %
Procurator Oy	5 300 700	6.11 %
The Varma-Sampo Group	4 302 000	4.96 %
Stadigh Kari	1 786 821	2.06 %
Nokia Oyj	1 592 342	1.84 %
The Tapiola Group	1 344 000	1.55 %
Lindström Juhani	1 250 000	1.44 %
Seligson Peter	870 432	1.00 %
Rutanen Petri	852 000	0.98 %
Nominee registered shares	1 087 109	1.25 %

Number of nominee registered shares and shares in foreign ownership number of shares as of December 31, 2001 was 31 087 903, i.e. 35.8 % of the holdings and votes.

Management Share Ownership

Evox Rifa Group Oyj's Board Members and President held a total of 960 959 shares, i.e. 1.1 % of the shares outstanding as of 31.12.2001. Following the resolution by the extraordinary shareholders' meeting on November 14, 2000, to issue 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 2 520 959 shares, i.e. 2.7% of the shares outstanding.

Distribution of Share Ownership 31.12.2001

By number of Shares	Number of Shareholders	% of Shareholders	Total Shares	% of Total Shares
1 - 1000	2 268	42.84 %	944 991	1.09 %
1 001 - 5 000	1 975	37.31 %	5 126 872	5.91 %
5 001 - 10 000	566	10.69 %	4 398 701	5.07 %
10 001 - 50 000	400	7.56 %	8 730 727	10.07 %
50 001 - 100 000	42	0.79 %	3 121 099	3.60 %
100 000 -	43	0.81 %	64 363 119	74.25 %
	5 294	100.00 %	86 685 509	100.00 %

By owner groups

	Numbers of total holding	Total Holding %	Number of Shares	Total Shares %
Foreign	22	0.42 %	29 980 794	34.59 %
Households	4 898	92.52 %	28 465 962	32.84 %
Companies	344	5.50 %	21 116 401	24.36 %
Financial -and insurance institutions	4	0.08 %	1 087 109	1.25 %
Public sector organizations	5	0.09 %	5 655 750	6.52 %
Non-profit organizations	21	0.40 %	379 493	0.44 %
Total	5 294	100.00 %	86 685 509	100.00 %

Proposal of the Board for the Distribution of Earnings

According to the Group balance sheet on December 31, 2001, the retained earnings are 8 324 thousand euros.

The parent company's distributable retained earnings are:

Not distributed previously	3 921 517.68 euros
Loss for the period	-832.66 euros
Total	3 920 685.02 euros

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

Espoo, February 13, 2002



Jerker Molander
Chairman of the Board



Mikko Aro
Member of the Board



Georg Ehrnrooth
Member of the Board



Jarmo Niemi
Member of the Board



Anders Oldenburg
Member of the Board



Harri Launonen
President

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

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We have audited the accounting, the financial statements and the corporate governance of Evox Rifa Group Oyj for the period 1.1.-31.12.2001. 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, March 1, 2002

PricewaterhouseCoopers Oy
Authorised Public Accountants



Eero Suomela
Authorised Public Accountant

Information for Shareholders

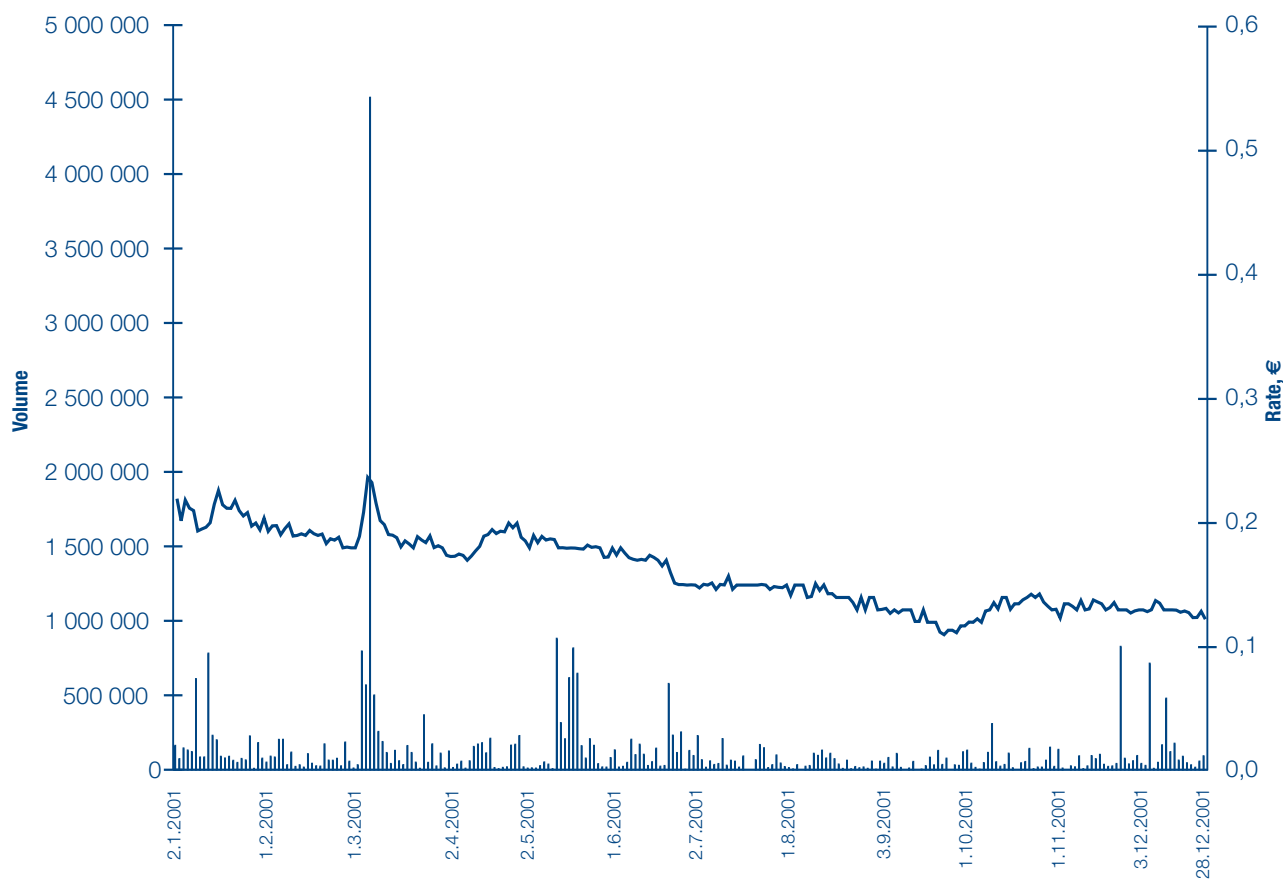
The Annual Shareholders' Meeting of Evox Rifa Group Oyj will be held on March 27, 2002 at 11:00 a.m.

Evox Rifa Group Oyj will publish its financial information in 2002 as follows:

February 14, 2002	2001 Financial Statements
April 29, 2002	Interim Review for January – March 2002
August 1, 2002	Interim Review for January – June 2002
October 31, 2002	Interim Review for January – September 2002

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Trading Volume and Average Rate in 2001







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