Evox Rifa Group Oyj Stock Exchange Release on 6 August 2007

EVOX RIFA GROUP INTERIM REPORT 1 JANUARY – 30 JUNE 2007

- Net sales of the first half of 2007 were EUR 46.5 million (EUR 43.9 million in 2006). Net sales increased by 5.9 % compared to the previous year.
- Operating profit was EUR 0.1 million (EUR 0.2 million). Operating profit includes EUR 1.5 million of costs related to the public tender offer made by KEMET Electronics Corporation ("KEMET")for Evox Rifa Group Oyj's shares and to the organization restructuring that followed (restructuring costs in the corresponding period in 2006 were EUR 0.6 million and profits of the sale of real estate were EUR 1.2 million).
- Loss before taxes was EUR 0.9 million (loss EUR 1.0 million).
- Loss per share was EUR –0.009 (EUR –0.008).
- Order backlog on 30 June 2007 was EUR 20 million (EUR 23.5 million).

ECONOMIC DEVELOPMENT

Net Sales

Net sales of the Group totalled EUR 46.5 million (EUR 43.9 million in 2006).

In the first half of 2007, demand remained at a satisfactory level, but price competition was challenging in all market areas.

Profit

Operating profit of the Group was EUR 0.1 million (EUR 0.2 million) and loss before taxes was EUR 0.9 million (loss EUR 1.0 million). The operating profit was reduced by a EUR 0.4 million customer reclamation payment. The operating profit also includes EUR 1.5 million of costs related to the public tender offer made by KEMET for Evox Rifa Group Oyj's shares and to the organization restructuring that followed. In the corresponding period last year, the costs related to restructuring were EUR 0.6 million and profits of the sale of real estate were EUR 1.2 million.

Loss per share were EUR –0.009 (EUR –0.008) and shareholders' equity per share was EUR 0.025 (EUR 0.032).

Order backlog

The order backlog of the Group was EUR 20 million at the end of June 2007 (EUR 23.5 million at the end of the corresponding period in 2006).

FINANCIAL STATUS AND CAPITAL EXPENDITURE

Liquid assets of the Group were EUR 3.1 million (EUR 0.8 million) and the equity ratio was 9.2% (11.5%) at the end of June. If the convertible capital loan is counted as shareholders' equity, the equity ratio was 19.9% (21.5%).

During the second quarter, long-term bank loans of EUR 4.5 million and short-term credit lines of EUR 4.2 million were paid back. The repayments of borrowings and the need for working capital were financed by taking loans of total EUR 13.2 million from the immediate parent company, KEMET Electronics Corporation.

Gross capital expenditure was EUR 0.9 million (EUR 0.4 million).

SHARES AND SHARE CAPITAL

The number of shares of Evox Rifa Group Oyj was 178 156 018 on 30 June 2007 and the share capital was EUR 8 908 400,90.

Evox Rifa is a subsidiary of KEMET Electronics, a US corporation.

REDEMPTION OF EVOX RIFA'S MINORITY SHARES

On 9 March 2007 KEMET Electronics Corporation announced a voluntary public tender offer for all shares and convertible capital loan notes in Evox Rifa Group Oyj. The acceptance period under the tender offer expired on 12 April 2007. KEMET has, pursuant to the tender offer, acquired title to more than nine-tenths of all the shares and votes in Evox Rifa. Accordingly, KEMET has a right to redeem all the minority shares in Evox Rifa in accordance with Chapter 18, Section 1 of the Companies Act. KEMET owns 92.7% of Evox Rifa Group Oyj's shares and 95.7% of the convertible capital loan notes.

KEMET has in its application dated 25 April 2007, requested the Redemption Committee of the Central Chamber of Commerce to appoint an Arbitral Tribunal and to commence arbitral proceedings in the redemption matter. The redemption right has been entered into the Trade Register on 2 May 2007. The District Court of Helsinki has with its decision dated 23 May 2007 ordered Rabbe Nevalainen, Chartered Accountant, to act as trustee in the matter. The order has been entered into the Trade Register on 5 June 2007. Olli Iirola, attorney-at-law, was appointed arbitrator in the meeting of the Redemption Committee of the Central Chamber of Commerce held on 27 June 2007. An arbitral award in the matter is expected to be rendered in the course of the autumn of 2007.

THE CONVERTIBLE CAPITAL LOAN

The Board of Directors of Evox Rifa Group Oyj resolved on 5 June 2007, in accordance with the terms and conditions of the convertible capital loan issued by the Company on 28 February 2005, to change the conversion period for the loan notes issued under the convertible capital loan so as to expire on 30 June 2007.

By the expiry of the conversion period, loan note holders, who in the aggregate hold 2 019 loan notes with a nominal value of EUR 100 each, have notified Evox Rifa of their decision to convert the loan notes into shares in accordance with the terms and conditions of the convertible capital loan. Pursuant to the conversion notices the Board of Directors of Evox Rifa has on 5 July 2007, resolved to approve the subscription of 1 514 250 new shares by virtue of the loan notes at a conversion rate of EUR 0.1333 per share. As a result of the share subscriptions the share capital of Evox Rifa has been increased by EUR 75 712.50. After the increase the share capital of Evox Rifa amounts to EUR 8 984 113.40 and the total amount of issued shares is 179 670 268 shares.

The increase in the share capital was entered into the Trade Register on 17 July 2007, and the new shares were admitted to public trading together with the Company's existing shares on 18 July 2007.

As the conversion period for the convertible capital loan notes has expired, the initially recognized amounts from loan amount to equity and deferred tax liabilities under the IFRS have been reversed, therefore an amount of EUR 201 900 equaling the above described note conversions remains in retained earnings. Accordingly the loan amount, EUR 5 386 900, in the balance sheet is equal to the amount of outstanding loan notes.

PERSONNEL

The average number of personnel in Evox Rifa Group was 1346 during the first half of 2007 (1360 in the same period in 2006).

BUSINESS DEVELOPMENT

Net sales of the electrolytic capacitors product group were EUR 26.3 million in the first half of 2007 (EUR 23.6 million in 2006). Profitability of the product group continued at a good level.

Net sales of the film capacitors product group were EUR 20.2 million (EUR 20.3 million in 2006). Profitability of the product group was still at an unsatisfactory level.

MATERIAL RISKS AND UNCERTAINTIES IN THE NEAR FUTURE

The capacitor industry market has become increasingly global, which has eliminated geographical market differences. A visible impact of this has been the harmonization of prices and logistics requirements. Major customers tend to concentrate their purchases with fewer suppliers, keeping just one or two suppliers instead of three or four. Half a dozen global suppliers dominate competition in certain product areas.

Evox Rifa Group's customers compete in areas in which technologies change rapidly and products have a short life cycle. Product development is exceptionally fast in the telecommunications market, as new technologies weaken the competitiveness of existing technologies or render them obsolete. The Group continuously evaluates benefits and profitability of new production processes and technologies.

Evox Rifa Group has received product reclamations that are still being processed. The Group's management believes that the provisions contained in the consolidated balance sheet are sufficient to cover potential currently known compensation risks.

OUTLOOK FOR THE YEAR 2007

KEMET Electronics Corporation, the majority owner of Evox Rifa Group Oyj, has announced its intention to integrate the business of Evox Rifa Group into KEMET's global organization of business units and sales region units. The planning and implementation of such activites are ongoing.

During the course of completing the compulsory redemption proceedings under the Companies Act, the company's shares will be delisted from the Helsinki Stock Exchange.

This Financial Report is in compliance with the requirements of IAS 34 as adopted by the EU. The figures in this Financial Report are unaudited.

In Espoo on 6 August 2007

EVOX RIFA GROUP OYJ
Board of Directors

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INCOME STATEMENT OF EVOX RIFA GROUP

	1.4.- 30.6.07 1000 EUR	1.4.- 30.6.06 1000 EUR	1.1.- 30.6.07 1000 EUR	1.1.- 30.6.06 1000 EUR	1.1.- 31.12.06 1000 EUR
NET SALES	22 884	22 301	46 462	43 936	89 787
Operating expenses	-22 292	-20 930	-45 046	-42 414	-85 220
Depreciation and amortisation expenses	-659	-699	-1 332	-1 356	-2 702
OPERATING PROFIT (LOSS)	-67	672	84	166	1 865
Financial income and expenses	-610	-675	-988	-1 177	-2 090
LOSS BEFORE TAXES	-677	-3	-904	-1 011	-225
Income Taxes	-286	-253	-672	-416	-716
NET LOSS FOR THE PERIOD	-963	-256	-1 576	-1 427	-941
Attributable to:					
Shareholders of the parent	-980	-264	-1 605	-1 416	-948
Minority interest	17	8	29	-11	7
	-963	-256	-1 576	-1 427	-941
Loss per share (EUR)	-0.006	-0.001	-0.009	-0.008	-0.005
Loss per share (EUR),diluted	-0.006	-0.001	-0.009	-0.008	-0.005

BALANCE SHEET OF EVOX RIFA GROUP

ASSETS	30.6.07 1000 EUR	30.6.06 1000 EUR	31.12.06 1000 EUR
NON-CURRENT ASSETS			
Property, plant and equipment	11 967	13 461	12 821
Intangible assets	1 403	1 266	1 266
Other receivables	247	332	285
CURRENT ASSETS			
Inventories	16 488	16 368	16 615
Trade and other receivables	17 024	18 289	17 109
Cash and cash equivalents	3 092	831	1 313
TOTAL ASSETS	50 221	50 547	49 409
EQUITY AND LIABILITIES			
Share capital	8 909	8 905	8 909
Other restricted equity	2 611	2 612	2 611
Retained earnings	-7 085	-5 844	-5 276
Minority interest	162	116	133
TOTAL EQUITY	4 597	5 789	6 377
LIABILITIES			
Deferred tax liabilities	390	709	515
Convertible capital loan	5 386	5 073	5 125
Pension obligations	1 729	2 269	1 904
Non-current liabilities	3 629	8 775	7 557
Current liabilities	34 490	27 932	27 931
TOTAL EQUITY AND LIABILITIES	50 221	50 547	49 409

STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY 1.1. – 30.6.2007

	Share capital	Other reserves	Transl. difference	Retained earnings	Minority interest	Total
Shareholders’ equity on 31.12.2006	8 909	2 611	-1 589	-3 687	133	6 377
Movements:						
Translation difference			-112			-112
Loss/profit for the period				-1 605	29	-1 576
Capital loan reversal				-92		-92
Shareholders’ equity on 30.6.2007	8 909	2 611	-1 701	-5 384	162	4 597

STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY 1.1. – 30.6.2006

	Share capital	Other reserves	Transl. difference	Retained earnings	Minority interest	Total
Shareholders’ equity on 31.12.2005	8 861	2 603	-1 481	-2 739	142	7 386
Movements:						
Used option rights	44	9				53
Translation difference			-208		-15	-223
Loss for the period				-1 416	-11	-1 427
Shareholders’ equity on 30.6.2006	8 905	2 612	-1 689	-4 155	116	5 789

EVOX RIFA GROUP CASH FLOW STATEMENT

	1.1.- 30.6.07 1000 EUR	1.1.- 30.6.06 1000 EUR	1.1.- 31.12.06 1000 EUR
Net cash flow from operating activities	-611	-4 117	-1 765
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment*	-618	-159	-738
Acquisition of intangible assets	-145	-10	-16
Proceeds from sale of property, plant and equipment	51	5 927	5 952
Net cash from investing activities	-712	5 758	5 198
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	13 695	458	658
Repayment of borrowings	-5 599	-3 470	-5 169
Payment of finance lease liabilities	-65	-77	-141
Proceeds from the issue of shares		53	56
Net cash from financing activities	8 031	-3 036	-4 595
Net change in cash and cash equivalents	6 708	-1 395	-1 163
Cash and cash equivalents at the beginning of the period	-5 183	-3 883	-3 883
Translation difference	164	17	137
Cash and cash equivalents at the end of the period	1 689	-5 295	-5 183
Cash and cash equivalents:			
Cash in bank and in hand	3 092	831	1 313

Bank overdrafts	-1 403	-6 126	-6 496
Total	1 689	-5 295	-5 183

* New investment grant of 151 thousand euros has been deducted (Q2/2006 and in 2006 260 thousand euros).

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

	30.6.07	30.6.06	31.12.06
Return on equity %, ROE	-57.4 %	-43.3 %	-13.7 %
Return on investment %, ROI	0.6 %	1.0 %	5.6 %
Equity ratio %	9.2 %	11.5 %	12.9 %
Equity ratio %*)	19.9 %	21.5 %	23.3 %
Gross investments in fixed assets, TEUR	914	429	1 021
% of net sales	2.0 %	1.0 %	1.1 %
Loss per share (EUR)	-0.009	-0.008	-0.005
Equity of parent shareholders/ share (EUR)	0.025	0.032	0.036
Order backlog, (MEUR)	20.0	23.5	23.2
Average number of personnel	1 346	1 360	1 391

*) The convertible capital loan is included in the shareholders' equity.

NOTES TO THE INTERIM REPORT

1. Basis of preparation

The interim report has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the EU. The interim report should be read in conjunction with the annual financial statements for the year ended 31 December 2006.

2. Accounting policies

The accounting policies adopted are consistent with those of the Group's annual financial statements for the year ended 31 December 2006, except for changes listed below.

The following new standards, amendments to standards and interpretations have been adopted as of 1 January 2007:

IFRS 7 Financial Instruments: Disclosures (effective from 1 January 2007). IFRS 7 requires disclosures about the significance of financial instruments for an entity's financial position and performance as well as qualitative and quantitative disclosures on the nature and extent of risks. The new standard will increase the disclosure requirements, the main additional disclosures will be the sensitivity analyses.

Amendment to IAS 1 Presentation of Financial Statements: Capital Disclosures (effective from 1 January 2007). This is a complementary amendment due to issuance of IFRS 7 and introduces new disclosures about the level of an entity's capital and how it manages capital.

IFRIC 9 Reassessment of Embedded Derivatives (effective for annual periods beginning on or after 1 June 2006). The interpretation requires that a reassessment of whether embedded derivative should be separated from the underlying host contract should be made only when there are changes to the contract. Evox Rifa does not expect the adoption of IFRIC 9 will have a material impact on the Group's financial statements.

IFRIC 10 Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November, 2006). IFRIC 10 prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill, an investment in an equity instrument or a financial asset carried at cost. The interpretation is not expected to have any impact on the Group's accounts.

IFRS 8 Operating Segments (effective for annual periods beginning on or after 1 January 2009). IFRS 8 replaces IAS 14 Segment Reporting. It adopts a management approach to segment reporting. The information reported would be that which is used internally by management for evaluating the performance of operating segments and allocating resources. Also additional disclosures are required. The Group is currently assessing the impact of IFRS 8.

These newly adopted standards and interpretations have not had any effect on the income statement, balance sheet or disclosures in this interim report.

IFRIC 8 Scope of IFRS 2 is not relevant to the Group's operations.
IFRIC 11 IFRS 2 – Group and Treasury Share Transactions and IFRIC 12 Service Concession Arrangements are not relevant to the Group´s operations.

3. Critical accounting estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. Annual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 31 December 2006.

4. Business segment information

	Capacitors		Others		Total	
	II/07	II/06	II/07	II/06	II/07	II/06
Net sales	22 884	22 301	0	0	22 884	22 301
Operating result	919	840	-986	-168	-67	672

	Capacitors		Others		Total	

	I+II/07	I+II/06	I+II/07	I+II/06	I+II/07	I+II/06
Net sales	46 462	43 936	0	0	46 462	43 936
Operating result	1 912	-244	-1 828	410	84	166

5. Financial risk management

The Group has not made any significant changes in policies regarding risk management during the period. Aspects of the Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial statements as at and for the year ended 31 December 2006.

6. Acquisitions and disposals

No acquisitions or disposals have been made during 2007.

7. Commitments and contingencies

There are no essential changes in the Group's commitments and contingencies after the end of 2006.