



Press Release

HEAD NV and HTM Sport GmbH Announce the Unaudited Results of Head NV for the Three Months ended 31st March 2011.

Amsterdam – 12th May 2011 – Head NV (VSX: HEAD; U.S. OTC: HEDYY.PK), a leading global manufacturer and marketer of sports equipment, and HTM Sport GmbH, a subsidiary of Head NV, announced the following results today.

Summary Unaudited Financial Information

€'000	For the three months ended March 31,		
	2011	2010	%
Profit and Loss	(As amended*)		
Gross Sales:			
Winter Sports	13,011	13,969	-6.9%
Racquet Sports	34,981	35,710	-2.0%
Diving	11,346	11,548	-1.7%
Sportswear	974	-	na
Licensing	1,224	1,396	-12.3%
Sales Deductions	(1,703)	(1,646)	3.5%
Net Sales	59,833	60,977	-1.9%
Adjusted Operating Profit	(5,504)	(3,319)	
	-9.2%	-5.4%	
Adjustments:			
ESOP	48	2,807	
Reported Operating Loss	(5,456)	(512)	
	-9.1%	-0.8%	
Net Income/Loss	(7,712)	(2,484)	
Cash Flow			
Net cash provided by operating activities	23,404	32,275	
Purchase of property, plant and equipment	1,429	986	
Balance Sheet			
Cash and cash equivalents	55,284	68,164	
Available for sale financial assets	7,133	6,746	
Borrowings	97,062	104,150	
Net Debt	34,645	29,240	
Working Capital	103,964	93,275	
Net Equity	164,815	160,637	

* 2009 and 2010 numbers have been amended as a result of a review of our accounts by the Netherlands Authority for the Financial Markets (the "AFM") for comparison reasons. Please see our press release as of November 24th 2010.





As anticipated, 2011 has been more challenging than 2010.

In winter sports, the good early snow did not last in Europe, and by mid January sales reorders reduced considerably driving sales down in the division by nearly 7% for the first quarter.

Our tennis division reported lower volume of ball sales and a decline in racquet sales due to a later introduction of new products in 2011.

While the diving market started well in 2011, it was severely impacted by both political turbulence in key dive destinations in north Africa and natural disasters in Australia and Japan.

Our newly introduced Sportswear Division generated nearly €1m in sales in the first quarter, but we do not expect it to be profitable this year.

Overall, sales for the group declined by nearly 2%.

The adjusted operating loss for the three month period increased by €2.2m compared to prior year. Of this, €0.5m was due to lower sales but at broadly flat gross margins and the balance of €1.7m was due mainly to increased selling and marketing costs. The increase in selling and marketing includes higher distribution costs.

The net loss increased by €5.2m in the three months to 31st March 2011 compared to the same period in 2010 mainly due to the lower adjusted operating performance compounded by lower ESOP income, and higher interest and other finance costs. The increase in interest and other finance costs of €3.1m in the period mainly arose due to the buy back of €14.4m of par value senior notes and the resultant acceleration of the amortization of non-cash disagio costs.

Operating cashflow for the first quarter declined by €8.9m due to lower operating results and an increase in working capital. The increase in working capital is a result of returning to more normalised levels after the very tight controls in place during 2009 and 2010 which cannot be maintained long term, and the lower level of sales resulting in inventory build up.

The year has begun with some challenges, both natural in the form of rain, floods, fires and tsunamis and man-made in the form of political unrest. In addition, the impact of raw material price rises mentioned back in February has yet to fully impact our margins, but we are anticipating this to be reflected in the results during the second half of the year. Overall, we believe that the operating results will be significantly below those achieved in 2010.

The Head NV AGM will be held on the 26 May 2011, full details are on our website.





About Head

HEAD NV is a leading global manufacturer and marketer of premium sports equipment.

HEAD NV's ordinary shares are listed on the Vienna Stock Exchange ("HEAD").

Our business is organized into five divisions: Winter Sports, Racquet Sports, Diving, Sportswear and Licensing. We sell products under the HEAD (tennis, squash and racquetball racquets, tennis balls, tennis footwear, badminton products, alpine skis, ski bindings and ski boots, snowboards, bindings and boots and sportswear), Penn (tennis and racquetball balls), Tyrolia (ski bindings) and Mares (diving equipment) brands.

For more information, please visit our website: www.head.com

Analysts, investors, media and others seeking financial and general information, please contact:

Clare Vincent, Investor Relations
Tel: +44 207 499 7800
Fax: +44 207 491 7725
E-mail: headinvestors@aol.com

Gunter Hagspiel, Chief Financial Officer
Tel: +43 5574 608
Fax +43 5574 608 130
E-mail: g.hagspiel@head.com

Forward-Looking Statements

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this press release, the words "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases, including references to assumptions, as they relate to Head NV, its management or third parties, identify forward-looking statements. Forward-Looking statements include statements regarding Head NV's business strategy, financial condition, results of operations, and market data, as well as any other statements that are not historical facts. These statements reflect beliefs of Head NV's management as well as assumptions made by its management and information currently available to Head NV. Although Head NV believes that these beliefs and assumptions are reasonable, the statements are subject to numerous factors, risks and uncertainties that could cause actual outcomes and results to be materially different from those projected. These Factors include, but are not limited to, the following: the still possible impact of the global economic turmoil, weather and other factors beyond our control, competitive pressures and trends in the sporting goods industry, our ability to implement our business strategy, our liquidity and capital expenditures, our ability to obtain financing, our ability to compete, including internationally, our ability to introduce new and innovative products, legal proceedings and regulatory matters, our ability to fund our future capital needs, and general economic conditions. These factors, risks





and uncertainties expressly qualify all subsequent oral and written forward-looking statements attributable to Head NV or persons acting on its behalf.

Head NV
Rokin 55
NL 1012 KK Amsterdam

Shares:
ISIN: NL0000238301
Stock Market: Official Market of the Vienna Stock Exchange

Notes:
HTM Senior Notes ISIN: XS0184717956 and XS0184719143
HTM Senior Secured Notes ISIN: XS0447202218 and XS044702309
Listing: Luxembourg Stock Exchange

