

HEAD NV and HTM Sport GmbH Announce the Unaudited Results for the Three Months ended 31st March 2012.

Amsterdam – 10th May 2012 – Head NV (VSX: HEAD; U.S. OTC: HEDYY.PK), a leading global manufacturer and marketer of sports equipment, announced the following results today.

Summary Unaudited Financial Information

€'000	For the three months ended March 31,		
	2012	2011	%
Profit and Loss			
Gross Sales:			
Winter Sports	13,552	13,011	4.2%
Racquet Sports*	42,230	34,819	21.3%
Diving	12,743	11,346	12.3%
Sportswear*	2,072	1,136	82.3%
Licensing	1,553	1,224	26.8%
Sales Deductions	(2,071)	(1,703)	21.6%
Net Sales	70,078	59,833	17.1%
* 2011 adjusted due to a reclassification to Sportswear			
Adjusted Operating Loss	(2,592)	(5,504)	-3.7%
Adjustments:			
ESOP (non-cash)	(185)	48	
Reported Operating Loss	(2,777)	(5,456)	-4.0%
Interest and Other Finance Expense	(1,494)	(2,790)	
Non-Cash Disagio Costs	(24)	(3,527)	
Interest and Investment Income	224	168	
Other Non-Operating Income	1,414	1,666	
Current Tax	(571)	(163)	
Deferred Tax	986	2,390	
Net Loss	(2,243)	(7,712)	
Cash Flow			
Net cash provided by operating activities	24,782	23,492	
Purchase of property, plant and equipment	1,669	1,429	
Balance Sheet			
Cash and cash equivalents	47,371	55,284	
Available for sale financial assets	4,913	7,133	
Borrowings	100,704	97,062	
Net Debt	48,420	34,645	
Working Capital	117,908	103,964	
Net Equity	169,604	164,815	

Sales for the first three months of 2012 were up 17.1% compared to the first three months of the prior year driven by Racquet Sports and compounded by favorable exchange rate movements and positive results from the other divisions. At constant currency the sales for the first three months of 2012 were up 15.6% compared to the first three months of 2011.



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Winter Sports sales for the period were ahead of the comparable period in 2011. This, however, is not a key delivery period for the division and consists mainly of close out sales and some deliveries of bindings under contract manufacturing agreements for the next season. The increase in the quarter was mainly due to earlier shipment of the bindings under contract manufacturing.

The period is key for the Winter Sports Division in securing orders for the forthcoming 2012/13 winter season. Due to the very mild winter and late snow in both Europe and North America in 2011/12, sell out at retail was considerably down and this is impacting our pre-season orders for next year. We believe that the worldwide winter sports market will be substantially down in 2012 and this will significantly impact our winter sports sales in the year.

The warm weather that has impacted the winter sports market has had the opposite effect on the racquet sports market which has started the year positively in North America. In addition Japan also seems to have recovered from the impact of the tsunami. Our Racquet Sports Division grew sales by 21.3% during the first three months of 2012 compared to the first three months of 2011. Growth came from both increases in volumes of racquets and balls and positive movements in average selling prices. A number of new products were introduced in the first quarter of the year, and we would not expect the current growth to continue throughout the year.

Whilst the diving market remains tough in Italy and Southern Europe, Asia and North America have developed favourably in 2012. This market growth and our strong product lines in computers and regulators has resulted in sales growth for our Diving Division of 12.3% during the three months to 31st March compared to the comparable period in 2011. As the second quarter is more reliant on our European sales we believe that this level of growth will be hard to maintain.

Both Licensing and Sportswear Divisions increased in the period, but from a low base.

Adjusted operating loss for the period improved by €2.9m due to higher sales being offset in part by higher selling and marketing costs. Gross margins stayed flat, with higher raw material prices being compensated for by higher average selling prices.

Net Interest decreased by €1.3m in the three months ended March 31, 2012 compared to the first three months in 2011 as the interest rates for our new financing agreements are lower than those of the Senior Secured Notes that we had in place in 2011.

The non-cash disagio costs incurred in 2011 were due to the buy back of the Senior Secured Notes in March of that year which led to the acceleration of the amortization of the non-cash Disagio costs.

As a result of the foregoing factors, for the three months ended March 31, 2012, we had a net loss of €2.2m, compared to a net loss of €7.7m in the comparable 2011 period.

Net cash provided by operating activities improved by €1.3m in the first quarter of 2012 compared to 2011 due to the net impact of higher profitability and increased working capital.



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Net debt increased by €13.8m from 31st March 2011 to 31st March 2012 due mainly to higher working capital needs.

Overall 2012 appears to have started well, but will be marred by the warm weather at the beginning of the 2011/12 ski season and weak consumer demand. We expect to see a slow down in our sales, especially in the third and fourth quarters of the year and anticipate that this will cause operating results for 2012 to deteriorate compared to 2011.

Our interim financial statements for the period ended 31st of March 2012 can be found on our website at www.head.com/corporate/investors/quarterly_reports.php.

The Head NV Annual General Meeting will be held on the 24th May 2012.

About Head

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

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 (alpine skis, ski bindings, ski boots, snowboard and protection products, tennis, racquetball and squash racquets, tennis balls and tennis footwear and sportswear), Penn (tennis balls and racquetball balls), Tyrolia (ski bindings) and Mares (diving equipment) brands.

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

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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



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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.

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

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

