Press Release

HEAD NV:

HEAD NV Announces Results For The Three Months Ended March 31, 2002

Rotterdam – May 16, 2002 – Head N.V. (NYSE: HED; VSX: HEAD), a leading global manufacturer and marketer of sports equipment, announced today revenues of $74.9 million for the three months ended March 31, 2002. Excluding 2001 sales of footwear, which beginning January 2002 is a licensed product, revenues were up 2.1% from the same period last year and at constant currency revenues were up 6.2%. For the period Head's operating result improved by $1.2 million from a loss of $3.1 million in the first quarter of 2001 to loss of $1.9 million in the same period in 2002**.** Due to a $4.7 million foreign exchange gain in the first quarter of 2001 versus $0.3 million in 2002, the loss per share for the three month period was $0.09 compared to $0.04 for the same period in 2001.

Johan Eliasch, Chairman and CEO commented: "While the global economic out look remains difficult, the Company is starting to see the positive effects of some of the measures taken last year to improve profitability.

Due to the seasonality of our business, the first quarter results are not indicative of what we expect for the full year. As we look forward, 2002 is going to be a year where Head is looking for profit improvement and not necessarily top line growth. Our operations are in excellent shape. We continue to have positive operating cash flow, a strong balance sheet with ample liquidity to manage our business and a committed team running the business with a strong focus on creating shareholder value. I'm also pleased to report that we will be paying a 2001 dividend on June 6th of euro 0.14 per share to shareholders of record on May 29th.

The alpine ski market, has seen two consecutive years of poor snow conditions. We have some great new products for the 2002/03 ski season including the new line of *Head Intelligence* skis and we should do well, but the retail order book will be constrained by excess inventory in the trade channels.

In Diving, the effects of 9/11 and the current situation in the Middle East are having an effect on sales, but we are hopeful that the results of our Diving division will pick up in the second half of the year.

In Licensing we are expanding. Our new agreement for *Head* branded sportswear in greater China is particularly exciting.

In Racquet Sports, we are continuing to see improvement as we expand the *Head Intelligence* line of racquets and tennis ball sales have improved as well. The Grand Slams are just starting, Andre Agassi is in good form and many of our other pros are doing very well.

So, it should be a good season for the *Head Team on Tour* and I encourage you to come out and enjoy some tennis!"

Three Months Ended March 31, 2002 and 2001

Total Revenues. For the three months ended March 31, 2002 total revenues decreased by $2.5 million or 3.2% to $74.9 million from $77.4 million in the comparable 2001 period. This decrease was primarily due to currency translation adjustments resulting from the depreciation of the euro against the U.S. dollar and $4.1 million of revenues from footwear in the three months ended March 31, 2001. As of January 2002 footwear is now a licensed product. Excluding the effect of changes in exchange rates, total revenues for the three months ended March 31, 2002 increased by $0.5 million, or 0.7% due to an increase in revenues from our products in our Winter Sports and Racquet Sports divisions. This increase was offset, however, by decreased revenues from footwear, Diving products and Licensing.

	For the Three Months ended March 31,		
	2001	**2002**	**% Change**
	(unaudited)	*(unaudited)*	
	in thousands $		
Product category			
Winter Sports	11,835	**11,921**	**0.7**
Racquet Sports	47,994	**47,171**	**(1.7)**
Diving	15,502	**14,092**	**(9.1)**
Licensing	2,030	**1,680**	**(17.2)**
Total Revenues	$ 77,361	**$ 74,864**	**(3.2)**

Winter Sports revenues for the three months ended March 31, 2002 increased by

$0.1 million, or 0.7%, to $11.9 million from $11.8 million in the comparable 2001 period. Excluding the effect of changes in exchange rates, revenues in winter sports increased by $0.7 million, or 5.9%. This increase was due to higher sales of our snowboard products and ski boots partly offset by decreased sales of skis and bindings.

Racquet Sports revenues for the three months ended March 31, 2002 decreased by $0.8 million, or 1.7%, to $47.2 million from $ 48.0 million in the comparable 2001 period. In 2001, $4.1 million was attributed to footwear revenues which we converted into a licensing arrangement starting in January 2002. Excluding the effect of changes in exchange rates revenues Racquet Sports increased by $0.7 million, or 1.5%. This mainly results from improved sales in tennis racquets and balls.

Diving revenues for the three months ended March 31, 2002 decreased by $1.4 million, or 9.1%, to $14.1 million from $15.5 million in the comparable 2001 period. Excluding the effect of changes in exchange rates, revenues from diving decreased by $0.7 million, or 4.3%, mainly due to a lack of consumer demand in the United States.

Licensing revenues for the three months ended March 31, 2002 decreased by $0.3 million, or 17.2%, to $1.7 million from $2.0 million in the comparable 2001 period due to timing impact.

Gross Profit. For the three months ended March 31, 2002 gross profit decreased by $0.7 million to $29.4 million from $30.2 million in the comparable 2001 period. Gross margin increased to 39.3% in 2002 from 39.0% in the comparable 2001 period.

Selling and Marketing Expenses. For the three months ended March 31, 2002, selling and marketing expenses decreased by $1.4 million, or 5.5%, to $23.7 million from $25.1 million in the comparable 2001 period. This decrease was due primarily to decreased advertising expenses after the successful introduction of the *Head Intelligence* racquets and *Head* Snowboard line in 2001.

General and Administrative Expenses. For the three months ended March 31, 2002, general and administrative expenses decreased by $0.1 million, or 1.2%, to $7.2 million from $7.3 million in the comparable 2001 period. In 2001, amortization of goodwill and trademarks of $0.3 million was recorded. In accordance with SFAS 142, in 2002, goodwill and trademarks are no longer amortized. This positive effect was partially offset by a lower gain on sale of a building used in operations in Italy as compared to the gain in 2001.

We also recorded $0.4 million and $0.3 million for the three months ended March 31, 2002 and 2001, respectively, of non-cash compensation expense due to the grant of stock options under our stock option plans 1998 and 2001 and the resulting amortization expense.

Operating Loss. As a result of the foregoing factors, operating loss for the three months ended March 31, 2002 improved by $1.2 million, or 39.3%, to $1.9 million from $3.1 million in the comparable 2001 period.

Interest Expense. For the three months ended March 31, 2002, interest expense decreased by $0.2 million, or 6.1%, to $2.6 million from $2.8 million in the comparable 2001 period. The decrease was due to the weakness of the euro against the dollar.

Interest Income. For the three months ended March 31, 2002, interest income decreased by $0.2 million, or 48.2%, to $0.2 million from $0.3 million in the comparable 2001 period. This decrease was due to lower cash on hand.

Foreign Currency Exchange. For the three months ended March 31, 2002, we had a foreign currency exchange gain of $0.3 million, compared to a gain of $4.7 million in the comparable 2001 period. This decrease is primarily due to a decrease in U.S. dollar denominated receivables of our European subsidiaries, as compared to 2001. We operate in a multi-currency environment and are subject to the effects of fluctuation in exchange rates.

Other Income (Expense), net. For the three months ended March 31, 2002, other income (expense), net remained the same compared to the comparable 2001 period.

Income Tax Benefit (Expense). For the three months ended March 31, 2002, income tax benefit was $0.5 million, an increase of $1.3 million compared to income tax expense of $0.8 million in the comparable 2001 period. This increase mainly relates to an increase in losses in 2002 for which no valuation allowance was recorded.

Net Loss. As a result of the foregoing factors, for the three months ended March 31, 2002, we had net loss of $3.6 million, compared to net loss of $1.7 million in the comparable 2001 period.

Liquidity and Capital Resources:

For the three months ended March 31, 2002, cash generated from operating activities decreased by $12.1 million, or 41.4%, to $17.1 million from $29.1 million in the comparable 2001 period. This is mainly due to a higher reduction of accounts payable and a lower decrease of accounts receivable, which is partially offset by a lower increase in inventory. The cash flows from operating activities and proceeds from sale of a building were used to purchase property, plant and equipment of $3.4 million, to repay a portion of our short term borrowings and to increase cash on hand.

About Head

Head NV is a leading global manufacturer and marketer of premium sports equipment. We are a technology driven company, our motto being "*Superior Performance Through Superior Technology".*

We can trace our roots back to 1950 when Howard Head, the inventor of the first metal ski, founded the company. The *Tyrolia* bindings and *Mares* diving brands were added in the 1970's and more recently the *Penn* balls and *Dacor* diving brands were acquired during the 1990's.

Head NV has been under its present management since 1996 and was listed on the New York Stock Exchange and the Vienna Stock Exchange in September 2000 in connection with our initial public offering.

Our current operations are organized into four divisions: Winter Sports, Racquet Sports, Diving and Licensing

Within these divisions we have created or acquired some of the most recognizable brands in the sporting goods market including:

Head	Tennis, squash and racquetball racquets; alpine skis and ski boots; snowboarding boards, bindings and boots; accessories and apparel
Penn	Tennis and racquetball balls
Tyrolia	Ski bindings
Mares/Dacor	Diving equipment

Our key ski, racquet and diving products all have leading market positions and appeal to a wide range of consumers from novices to some of the world's top athletes including Andre Agassi, Gustavo Kuerten, Hannes Trinkl and Francisco "Pipin" Ferreras.

Our products are sold through over 30,000 accounts including pro shops, specialty sporting goods stores and mass merchants in over 80 countries around the world.

Our strategy has always been to develop groundbreaking products positioned at middle to high price points. We believe this helps us achieve our financial returns as well as gain market share.

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

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