



Head NV

Q3 2007 Results

HEAD NV – Participants



Johan Eliasch
CEO



Ralf Bernhart
CFO



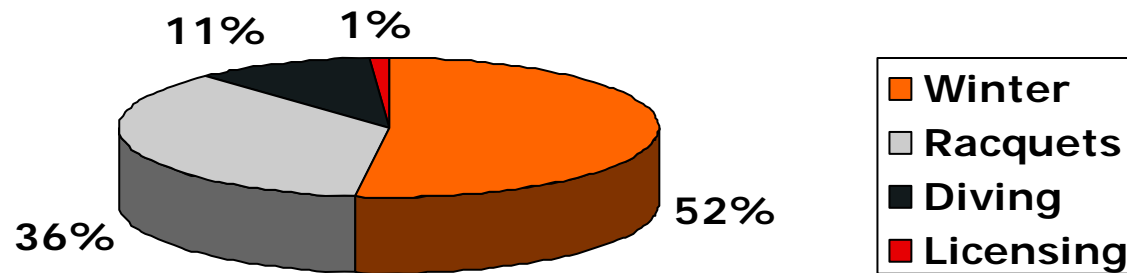
Clare Vincent
Investor Relations

Summary

- Q3 07 net revenues decreased 17.1% to €92.8 million from €112.0 million in the comparative period.
- Operating profit decreased €7.9 million, to a profit of €8.8 million compared with €16.8 million in the comparable 2006 period.
- For the 9 months ended 30 September 07, net revenues decreased 13.0%, to €211.8 million compared with equivalent 2006 period. Operating loss increased €14.8 million to €5.4 million from a profit of €9.4 million in the comparable 2006 period.
- Gross margin Q3 07 decreased to 39.2% compared with 40.6% in the comparative 2006 period. For the 9 months ended 30 September 2007, gross margin fell to 39.5% compared to 40.3% in the equivalent 2006 period.
- The profit for Q3 07 is €4.1 million compared to €11.0 million for Q3 06. For the 9 months ended 30 September 07 the loss is €11.9 million, compared to the profit of €1.1 million in the 2006 period.
- Cashflow from operating activities for the 9 months ended 30 September 07 was negative €11.5 million.

Group Revenue by Product

Q3 2007 net revenue by division:



Q3 2007 net revenues: €92.8m

Group Revenue by Geography

Q3 2007 net revenue by geography:



N America
31%

Europe
59%

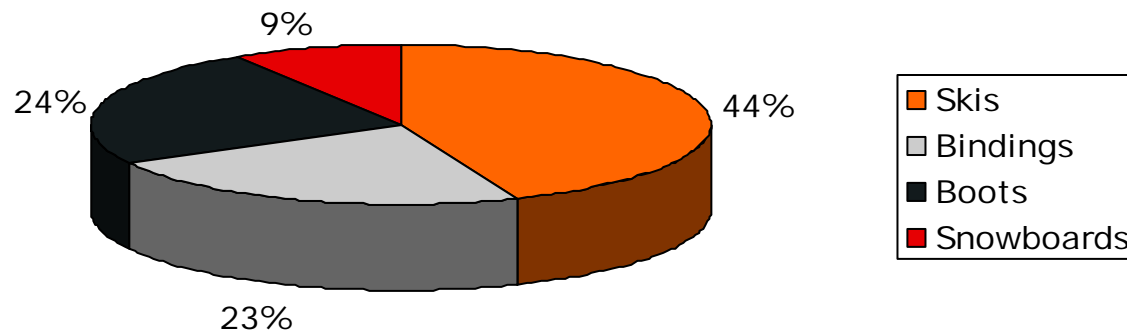
ROW
10%

Q3 2007 net revenues: €92.8m

Winter Sports

<i>Eur €m</i>	Q3 06	Q3 07	9m Sep 06	9m Sep 07
Gross Revenues	70.4	48.9	100.2	69.6
% change		-30.5%		-30.5%
Gross Profit	28.2	18.4	36.8	21.7
% margin	40.1%	37.6%	36.7%	31.2%

Q3 2007 gross revenues by product:



Winter Sports

Q3 2007 gross revenues by geography:



N America
23%

Europe
72%

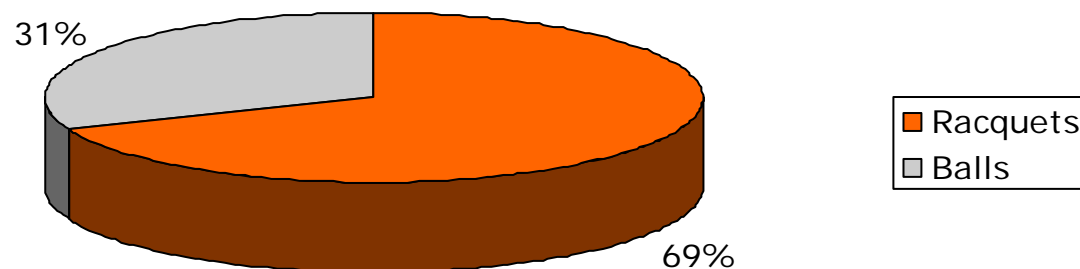
ROW
5%

- As anticipated Q3 07 gross revenues decreased by 30.5% to €48.9 million. Gross revenues for 9m ended 30 September 07 down 30.5% at €69.6 million.
- Lower sales driven by the difficult market conditions following poor winter in 06/07
- Gross margin Q3 07 decreased to 37.6% from 40.1% in Q3 06. Decline due to lower utilization of production capacity.
- Increase in proportion of our sales to North America from 16% to 23% reflects the lower decline in the market in North America (around 6%) compared to Europe (25-30%).

Racquet Sports

<i>Euro €m</i>	Q3 06	Q3 07	9m Sep 06	9m Sep 07
Gross Revenues	33.4	34.8	106.3	102.3
% change		4.2%		-3.7%
Gross Profit	12.6	13.3	41.1	41.5
% margin	37.7%	38.3%	38.7%	40.5%

Q3 2007 gross revenues by product:



Racquet Sports

Q3 2007 gross revenues by geography:



N America
46%

Europe
40%

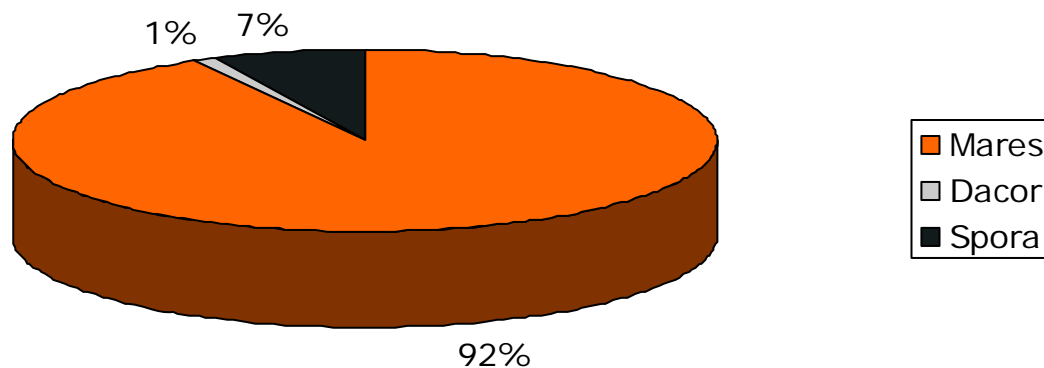
ROW
14%

- The impact of our launch of microGel has been reflected in the results for the quarter with an increase in Q3 07 gross revenues of 4.2% to €34.8 million.
- Gross revenues for 9m ending 30 September 07 down 3.7% to €102.3 million due mainly to the strengthening of the Euro versus the US dollar.
- Divisional margin improved for both Q3 07 and the 9 months ended 30 September 07 due to the strong Euro compared to the US dollar and cost saving initiatives.

Diving

<i>Eur €m</i>	Q3 06	Q3 07	9m Sep 06	9m Sep 07
Gross Revenues	10.1	10.4	38.0	40.7
% change		+2.5%		+7.1%
Gross Profit	3.6	3.5	14.6	16.2
% margin	35.9%	33.6%	38.5%	39.9%

Q3 2007 gross revenues by product:



Diving

Q3 2007 gross revenues by geography:



N America
23%

Europe
55%

ROW
22%

- Q3 07 gross revenues were broadly in line with Q3 06, at €10.4 million. Gross revenues for 9 months to September 07 up 7.1% to €40.7 million.
- Increase for 9 month period driven by strong performance of the diving category in the MARES brand, plus good results from European & US units.
- The weakening of the gross margin in the quarter was a result of close-out sales in Italy/France and dollar impact for Trade and US sales.
- Worldwide diving market for 06 was broadly flat. However, Mares showed a positive trend in 06, which continued in the first 9 months 2007 with growth in market share.

Licensing

<i>Eur €m</i>	Q3 06	Q3 07	9m Sep 06	9m Sep 07
Gross Revenues	1.2	1.4	5.9	5.1
% change		14.7 %		-13.4%
Gross Profit	1.1	1.3	5.8	4.9
% margin	90.6%	97.5%	98.3%	96.3%

- Decrease in 9 month revenues to 30 September 2007 due to higher revenues, exceeding minimum royalties, having been received during Q1 2006.

Profit & Loss

<i>Eur €m</i>	Q3 06⁽¹⁾	Q3 07	9m Sep 06 ⁽¹⁾	9m Sep 07
Net Revenue	111.9	92.8	243.5	211.8
Growth		-17.1%		-13.0%
Gross Profit	45.4	36.4	98.2	83.7
% margin	40.6%	39.2%	40.3%	39.5%
EBITDA⁽²⁾	20.1	12.0	20.0	4.6
Gain on sale	-	-	-	-
Restructuring Costs	-	-	-	-
Operating Profit/(Loss)	16.8	8.8	9.4	(5.4)
Profit/(Loss) for the period	11.0	4.1	1.1	(11.9)

(1) *Restated*

(2) *Details of EBITDA calculation are set out in final slides*

Balance Sheet

<i>Eur €m</i>	30 Sep 06 <i>Restated</i>	31 Dec 06	30 Sep 07
Working capital *	141.4	140.3	143.2
Total assets	424.0	422.6	396.9
Net debt	121.0	112.3	131.1
Total stockholders equity	154.5	155.9	135.1

* Details of working capital calculation set out in final slides

Capital & Resources

- Net cash from operating activities for 9 months ended 30 September 2007: €(11.5)m
- Reconciliation of net debt:

<i>Eur €m</i>	30 Sep 06	31 Dec 06	30 Sep 07
Senior Notes	111.3	111.4	111.5
Other LT debt *	25.8	25.0	22.7
ST borrowings	20.7	19.5	22.1
Cash **	<u>(36.8)</u>	<u>(43.6)</u>	<u>(25.3)</u>
	<u>121.0</u>	<u>112.3</u>	<u>131.1</u>

**Includes short term portion of long term debt*

***Including restricted cash*

Outlook for 2007

- Current outlook remains unchanged - in light of adverse conditions that impacted the 06/07 Winter Sports season, we continue to anticipate that we may record an operating loss for 2007.

Q & A



Investor Relations Contacts

- Press releases, financial reports and presentations etc available from Investor Relations section of website: **www.head.com**
- For other financial or general information, contact:

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EBITDA Reconciliation

<i>Eur €m</i>	Q3 06	Q3 07	9m Sep 06	9m Sep 07
Operating income/(loss) per P&L	16.8	8.8	9.4	(5.4)
Add: Depreciation & amortisation per cash flow	3.4	3.2	10.6	10.0
Deduct: Gain on sale	-	-	-	-
Add: Restructuring costs	-	-	-	-
EBITDA	20.1	12.0	20.0	4.6

Working Capital Reconciliation

<i>Eur €m</i>	30 Sep 06	31 Dec 06	30 Sep 07
Accounts receivable, net	128.4	151.6	116.2
Inventories, net	89.8	65.0	97.4
Prepaid expenses & other current assets	4.4	2.6	2.3
Accounts payable	(71.2)	(67.1)	(61.7)
Accrued expenses & other current liabilities *	(9.2)	(11.8)	(11.0)
Working capital	141.4	140.3	143.3

**Includes provisions, 31 Dec 2006 restated*