

Part VI. Pro Forma Statement of Net Assets of the Group

The following unaudited pro forma statement of net assets of the Group is provided to show the effect on the net assets of the Group had the Global Offer taken place on 2 April 2004. This table has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of the financial position or results of the Group. The unaudited pro forma statement of net assets is compiled on the basis set out below from the audited consolidated balance sheet of Halfords Group Plc as at 2 April 2004, as set out in the accountants' report in Part V of this document:

	Halfords Group Plc (note 1) £'000	Adjustments (note 2) £'000	Unaudited pro forma Halfords Group Plc £'000
Fixed assets			
Intangible assets	253.1	–	253.1
Tangible assets	82.5	–	82.5
	335.6	–	335.6
Current assets			
Stock	107.1	–	107.1
Debtors	23.5	–	23.5
Cash at bank and in hand	25.6	–	25.6
	156.2	–	156.2
Creditors: amounts falling due within one year			
Bank overdrafts and other borrowings	(189.5)	135.0	(54.5)
Other creditors	(104.3)	–	(104.3)
	(293.8)	135.0	(158.8)
Net current (liabilities)/assets	(137.6)	135.0	(2.6)
Total assets less current liabilities	198.0	135.0	333.0
Creditors: amounts falling due after more than one year			
Loans and other borrowings	(185.6)	–	(185.6)
Other creditors	(4.6)	–	(4.6)
Provision for liabilities and charges	(3.3)	–	(3.3)
Net assets	4.5	135.0	139.5

Notes:

1. Extracted without material adjustment from the accountant's report on the Group as set out in Part V (Accountants' Report on the Group).
2. The estimated net proceeds of the Global Offer of £135.0 million (after deducting fees of £5.0 million) are assumed to be applied in repaying the Deep Discount Bonds, the Shareholder Loan Notes and part of the outstanding borrowings under the Senior Credit Agreement including in each case, accrued interest thereon. As described under paragraph 1 of Part III (Details of the Global Offer), the remainder of the indebtedness under the Senior Credit Facility will be repaid with the proceeds of the borrowings under the New Bank Facilities and available cash balances.
3. Net debt on an unaudited pro forma basis at 2 April 2004 was £214.5 million comprising borrowings falling due within one year of £54.5 million plus borrowings falling due after more than one year of £185.6 million less cash balances of £25.6 million.
4. No account has been taken of the trading results of the Group since 2 April 2004.



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3 June 2004

Dear Sirs

Halfords Group Plc (the "Company")

We report on the pro forma statement of net assets set out in Part VI (Pro Forma Statement of Net Assets of the Group) of the Company's listing particulars dated 3 June 2004. The pro forma statement of net assets has been prepared, for illustrative purposes only, to provide information about how the Global Offer might have affected the consolidated balance sheet of the Company as at 2 April 2004.

Responsibilities

It is the responsibility solely of the directors of the Company to prepare the pro forma statement of net assets in accordance with paragraph 12.29 of the Listing Rules of the UK Listing Authority.

It is our responsibility to form an opinion, as required by the Listing Rules of the UK Listing Authority, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma statement of net assets beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards and Bulletin 1998/8 "Reporting on pro forma financial information pursuant to the Listing Rules" issued by the Auditing Practices Board. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the pro forma statement of net assets with the directors of the Company.

Our work has not been carried out in accordance with auditing standards generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards.

Opinion

In our opinion:

- (a) the pro forma statement of net assets has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Company; and
- (c) the adjustments are appropriate for the purposes of the pro forma statement of net assets as disclosed pursuant to paragraph 12.29 of the Listing Rules of the UK Listing Authority.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants