

“2002 financial year”	means the 52 week period ended 29 March 2002
“2003 financial year”	means the 52 week period ended 28 March 2003
“2004 financial year”	53 week period ended 2 April 2004
“AA”	Automobile Association Limited
“AA Agreement”	means the asset sale agreement dated 25 July 2001 between Halfords Limited, GB Gas Holdings Limited and the AA, pursuant to which Halfords Limited sold its garage services business and certain related assets to the AA and granted interests in certain premises to GB Gas Holdings Limited
“Act” or the “Companies Act”	the Companies Act 1985 of England and Wales (as amended)
“Admission”	admission of the Ordinary Shares to the Official List of the UK Listing Authority and to trading on the London Stock Exchange’s market for listed securities becoming effective
“Articles of Association” or “Articles”	the articles of association of the Company which have been adopted conditional upon Admission
“Board”	the board of directors of the Company
“Boots”	The Boots Company Plc
“CAGR”	compound annual growth rate
“cash profitable”	means, in respect of a Halfords store, its positive EBITDA (before the allocation of central costs)
“cash profit”	means management’s measure of cash generation on a store by store basis and comprises net sales less cost of goods sold and direct store costs (payroll, general costs, rent and other property costs). Cash profit reconciles to Group EBITDA by deducting warehousing and distribution costs, non store erosions, GPAs, restructuring and store change costs, advertising and promotion, administration costs and other non store costs and adding back rebates and contributions and non store depreciation
“Citigroup”	Citigroup Global Markets UK Equity Limited
“Combined Code”	the principles of good governance and code of best practice appended to the Listing Rules
“Company”	Halfords Group Plc
“CREST”	the system for the paperless settlement of trades in listed securities, of which CRESTCo is the operator
“CRESTCo”	CRESTCo. Limited

“CVC Acquisition”	the acquisition by Halfords Finance Limited (a company controlled by the Company) of Halfords Limited in August 2002 as described in paragraph 19.5 of Part VII (Additional Information)
“CVC Shareholders”	CVC European Equity Partners II L.P., CVC European Equity Partners II (Jersey) L.P., CVC European Equity Partners III LP, CVC European Equity Partners III Parallel Fund – A LP, CVC European Equity Partners III Parallel Fund – B LP, CVC Europe Enterprise (Domestic) LP, CVC Europe Enterprise (Cayman) LP, Citi-Europe Co-Invest LP, Citicorp Capital Investors Europe Limited and Capital Investors 2002 Limited
“Deep Discount Bonds”	the deep discount bonds issued pursuant to an instrument executed by Halfords Holdings Limited on 25 July 2002 as amended on 7 November 2003 as described in paragraph 19.2 of Part VII (Additional Information)
“Directors”	the Executive and Non-executive Directors
“Exchange Act”	the US Securities Exchange Act of 1934 (as amended)
“Executive Directors”	David Hamid, Nick Carter and Ian McLeod
“Existing Scheme”	the Halfords Share Option Scheme
“Existing Shares”	the Ordinary Shares that will be in issue immediately on Admission
“First Bonus Issue”	means the bonus issue of Ordinary Shares as more fully described in paragraph 2.4.6 of Part VII (Additional Information)
“Global Offer” or the “Offer”	the bookbuilt offer of Ordinary Shares to institutional and certain other investors described in Part III (Details of the Global Offer)
“Group Company”	the Company or any of its subsidiaries or subsidiary undertakings
“Halfords” or the “Group”	the Company and its subsidiaries and subsidiary undertakings from time to time
“IAS”	International Accounting Standards
“IFRS”	International Financial Reporting Standards
“Listing Rules”	the listing rules of the UK Listing Authority
“London Stock Exchange”	London Stock Exchange plc
“Managers”	Citigroup, Merrill Lynch, UBS and Cazenove
“Merrill Lynch”	Merrill Lynch International

“Motor World”	Motor World Limited
“New Bank Facilities”	the bank facilities granted pursuant to the New Facilities Agreement described in paragraph 19 of Part VII (Additional Information)
“New Facilities Agreement”	the facility agreement dated 17 May 2004 as more fully described in paragraph 19 of Part VII (Additional Information)
“New Shares”	new Ordinary Shares to be issued by the Company under the Global Offer
“Noon Buying Rate”	the noon buying rate for cable transfers in pounds as certified for customs purposes by the Federal Reserve Bank of New York
“Non-executive Directors”	Robert Templeman, Richard Pym, Jonathan Feuer, Bill Ronald, Nigel Wilson and Keith Harris
“Offer Price”	the price of 260p per Ordinary Share at which Ordinary Shares are to be issued or sold under the Global Offer
“Official List”	the Official List of the UK Listing Authority
“Over-allotment Option”	the option for the sale and purchase of the Over-allotment Shares contained in the Underwriting Agreement
“Over-allotment Shares”	up to 15,384,584 Ordinary Shares which are the subject of the Over-allotment Option
“Private Shareholders”	Christopher Woodhouse, John Lovering, Sir Trevor Chinn, Sir Clive Thompson and Richard Saville
“Qualified Institutional Buyers” or “QIBs”	has the meaning given by Rule 144A
“Regulation S”	Regulation S under the Securities Act
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
“Rule 144A”	Rule 144A under the Securities Act
“Sale Shares”	those of the Existing Shares which are being sold by the Selling Shareholders pursuant to the Global Offer (other than any Existing Shares which are the subject of the Over-allotment Option)
“SDRT”	stamp duty reserve tax
“SEC”	the United States Securities and Exchange Commission

“Second Bonus Issue”	means the bonus issue of Ordinary Shares on Admission as more fully described in paragraphs 2.6.5 and 2.6.6 of Part VII (Additional Information)
“Securities Act”	the US Securities Act of 1933 (as amended)
“Selling Shareholders”	the CVC Shareholders, Messrs. Templeman, Carter and McLeod, the Warrantholders, the Private Shareholders and employees who are shareholders and/or holders of options under the Existing Scheme
“Senior Credit Agreement”	the senior credit agreement dated 25 July 2002 between the Company and certain subsidiaries of the Company, Barclays Capital, Barclays Bank PLC and others, as amended on 7 November 2003 as described in paragraph 19.1 of Part VII (Additional Information)
“Shareholder Loan Notes”	the shareholder loan notes issued pursuant to deed polls executed by Halfords Holdings Limited on 25 July 2002, as supplemented on 7 November 2003 and 4 March 2003, as described in paragraph 19.4 of Part VII (Additional Information)
“Senior Managers”	Andy Smith, Andy Torrance, Nick Wharton and Steve Whyman
“Shares” or “Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“Share Option Schemes”	means the Halfords Company Share Option Scheme and the Halfords Sharesave Scheme as more fully described in paragraph 8 of Part VII (Additional Information)
“Sponsor”	Merrill Lynch International
“subsidiary” and “subsidiary undertaking”	have the meanings given in the Act
“Takeover Code”	the City Code on Takeovers and Mergers
“Takeover Panel”	the Panel on Takeovers and Mergers
“TDG”	TDG (UK) Ltd
“UK GAAP”	generally accepted accounting principles in the UK
“UKLA” or “UK Listing Authority”	The Financial Services Authority in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
“Underwriting Agreement”	the agreement between, amongst others, the Company, the Selling Shareholders, the Directors, the Senior Managers and the Managers described in paragraph 18 of Part VII (Additional Information)

“US” or “United States”	United States of America, its territories and possessions, any state of the United States and the District of Columbia
“US GAAP”	generally accepted accounting principles in the US
“VAT”	UK Value Added Tax
“Warrantholders”	the holders of Warrants under the Warrant Instrument being Lehman Commercial Paper Inc., CDP Capital Euromezz SARL, Intermediate Capital Investments Limited, Barclays Bank plc, Skandinaviska Enskilda Banken AB (PUBL) and Intermediate Capital GP Limited
“Warrant Instrument”	the deed dated 25 July 2002 (as amended on 30 August 2002) pursuant to which Warrants were issued to the Warrantholders as described in paragraph 19 of Part VII (Additional Information)
“Warrants”	warrants to subscribe for Ordinary Shares under the Warrant Instrument

