



Halfords Group plc Q3 Trading Statement

Halfords Group plc (“the Group”), the UK’s leading retailer of automotive and leisure products and services and a leading independent operator in garage servicing and auto repair, today updates the market on its trading performance for the 15 and 41-week periods to 9 January 2015:

	15 weeks % change	41 weeks % change
TOTAL REVENUE		
Halfords Group	+6.5	+6.7
Retail	+6.5	+6.6
Autocentres	+6.5	+7.6
LIKE-for-LIKE (LfL) REVENUE		
Halfords Group	+6.7	+6.6
Retail	+6.8	+6.9
<i>Cycling</i>	+7.6	+13.3
<i>Car Maintenance</i>	+11.0	+6.8
<i>Car Enhancement</i>	-0.3	-1.0
<i>Travel Solutions</i>	+5.7	+4.5
Autocentres	+5.9	+4.9

Highlights for the 15-week Period

- Cycling: continued growth against a tough comparative; Children’s Bikes the standout performer
- Car Maintenance: strong performance in all categories; fitting of parts reached record levels
- Car Enhancement: continued decline in Sat Nav and Audio, offset by an excellent Car Cleaning performance
- Travel Solutions: good performance driven by Travel Equipment, Child Car Seats and a new seasonal gift offering
- Online Retail: growth of 16.5%, representing a record 12.9% of total Retail sales
- Autocentres: positive momentum maintained with improved LfL performance, aided by lower-margin tyres

Amendment and extension to revolving credit facility

Halfords has amended its revolving credit facility from £200m to £170m and extended the facility to November 2019. The financial covenants remain unchanged from the previous facility that was due to mature in November 2017. Full current year Net Finance Costs are now expected to be in the range of £3.0m to £4.0m (previous guidance: £3.5m to £4.5m).

Financial Outlook

We now anticipate the full year Retail gross-margin to be in the better half of the guided year-on-year range of -25 to -75 bps, with full year Retail operating costs at the higher end of the 5-6% uplift guidance. Other than the reduction in Net Finance Costs, there are no changes to our full year expectation and guidance.

Matt Davies, Chief Executive, commented:

“We are delighted to report strong Q3 sales, demonstrating our ability to continue to drive top-line growth. The standout performer this quarter was Car Maintenance, with our service-led *weFit* offer again achieving record levels of Parts fitting, along with an excellent Parts sales performance, particularly in car batteries. Cycling sales continue to be strong, with Children’s Bikes sales up 13.8% highlighting that, with the right product and service offer, a bike remains a popular Christmas present. Investment in our omni-channel proposition helped online sales grow to record levels, driven by Click & Collect. A further 9 stores were refreshed in the period to put us on track for 70-75 refreshes by the end of the year. We also opened our first Cycle Republic store in London, with a second opening at the end of January. Autocentres’ improved performance in the quarter was encouraging and a further 4 centres were opened, including a new concept centre in Croydon.”

Enquiries

Halfords

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Notes

1. Like-for-like sales represent revenues from UK and Irish stores and UK centres trading for greater than 365 days
2. Where appropriate, revenues denominated in foreign currencies have been translated at constant rates of exchange

Conference Call

There will be a conference call for investors and sell-side analysts at 9:30am today. The participant dial-in is +44 (0)203 139 4830 or 0808 237 0030 (toll free). The PIN is 33780434#. To access a recording of the call, the participant dial-in is +44 (0)203 426 2807 or 0808 237 0026 (toll free). The PIN is 653333#. A transcript of the call will appear online in due course.

Reporting Calendar

On 29 January 2015 Halfords will be hosting an analyst preview of its Cycle Republic store in Margaret Street, which is planned to open at the end of the month.

Halfords will next report its annual results, for the 53 weeks ending 3 April 2015, and fourth-quarter trading performance on 11 June 2015.

Notes to Editors

www.halfords.com
www.halfordscompany.com
www.halfordsautocentres.com

Halfords Group plc

Halfords is the UK's leading retailer of automotive, cycling and leisure products and, through Halfords Autocentres, also one of the UK's leading independent car servicing and repair operators. Halfords customers shop at 466 stores in the UK and Republic of Ireland, including a Halfords 'Cycle Republic' shop in Central London, and at halfords.com for pick-up at their local store or direct home delivery. Halfords Autocentres operates from 302 sites nationally and offers motorists dealership-quality MOTs, repairs and car servicing at affordable prices.

The Halfords group strategy is based on three pillars:

- *Supporting Drivers Of Every Car*
- *Inspiring Cyclists Of Every Age*
- *Equipping Families For Their Leisure Time*

The *Getting Into Gear* plan for the Retail business is based on executing in five key areas in order to deliver a significantly-enhanced customer experience:

- *Service Revolution*
- *The H Factor*
- *Stores Fit to Shop*
- *21st Century Infrastructure*
- *Click with the Digital Future*

Halfords employs approximately 11,000 colleagues and sells around 9,000 product lines in store, increasing to around 160,000 Retail products online. The Retail offering encompasses significant ranges in car parts, cycling products, in-car technology, child seats, roof boxes and camping equipment. Halfords' own cycling brands include *Apollo*, *Carrera*, *Boardman* and *13* cycles, augmented by a range of other brands of cycles and accessories, including *Kona*, *Mongoose*, *Raleigh* and *Pinarello*. In Auto, the *Halfords Essentials* and *Halfords Advanced* ranges are sold alongside brands such as *Kärcher*, *General Electric*, *Bosch*, *Garmin* and *TomTom*. In Travel Solutions, Halfords sells a premium range of equipment including camping brands such as *CampinGaz* and *Outwell*. Halfords offers customers expert advice and a fitting service called '*wefit*' for car parts, child seats, satellite navigation and in-car entertainment systems, and a '*werepair*' service for cycles.

Cautionary Statement

This report is based on information from unaudited management accounts and contains certain forward-looking statements with respect to the financial condition, results of operations, and businesses of Halfords Group plc. These statements and forecasts involve risk, uncertainty and assumptions because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. These forward-looking statements are made only as at the date of this announcement. Nothing in this announcement should be construed as a profit forecast. Except as required by law, Halfords Group plc has no obligation to update the forward-looking statements or to correct any inaccuracies therein.