



Halfords Group plc
First-Quarter FY13 Interim Management Statement

Halfords Group plc, the UK's leading retailer of automotive and leisure products and services and leading independent operator in garage servicing and auto repair, today updates the market on its trading performance for the 13-week period to 29 June 2012:

TOTAL REVENUE	
Halfords Group	-5.2%
<i>Retail</i>	<i>-7.8%</i>
<i>Autocentres</i>	<i>+14.5%</i>
LIKE-for-LIKE (LfL) REVENUE	
Halfords Group	-5.6%
<i>Retail</i>	<i>-7.5%</i>
<i>Car Maintenance</i>	<i>+1.0%</i>
<i>Car Enhancement</i>	<i>-10.5%</i>
<i>Leisure</i>	<i>-10.5%</i>
<i>Autocentres</i>	<i>+9.2%</i>

Key Points for the Quarter

Retail

- A weak start to the quarter with revenue LfL of -12.4% for the first 8 weeks followed by an improvement in the following 5 weeks (LfL: +0.9%)
- A solid performance in Car Maintenance with 3Bs fitting penetration at 27.0% (Q1 FY12: 22.4%) contributing to a 26.9% growth in Retail service revenues
- Car Enhancement remains in decline but an encouraging positive LfL performance in Car Audio
- Cycling and other Leisure revenues materially impacted by the unseasonal weather conditions with Cycling revenues down 9.6%
- Good progress in online revenues (+13.0%) with the new fulfilment proposition enhancing the multi-channel offer
- Q1 gross margins and costs in line with our expectations

Autocentres

- Pleasing performance with further strong growth in revenue and market share
- Tyre fitting now represents in excess of 10% of Autocentre revenues

Group

- Further progress in delivering the long-term strategy; encouraging feedback from the 3 "laboratory" stores
- Group remains cash generative with a strong balance sheet
- The Board intends to declare at the time of the half-year results an unchanged interim dividend of 8p per share, payable in January 2013
- David Wild steps down as Group CEO. Dennis Millard becomes interim Executive Chairman. Search underway for replacement CEO (see separate announcement)

Guidance for the Full Year

Whilst still early in the year, given the uncertain trading environment our planning assumptions now reflect continuing negative Retail LfLs in the remainder of the first half, with second-half Retail LfLs likely to be flat to mid-single-digit negative. Previous guidance on Retail margins and costs and on Autocentres' profit growth is broadly unchanged. Under these scenarios, FY13 Group Profit Before Tax for the year would range between £62m and £70m and healthy underlying cash flows would continue to be generated whilst making progress implementing our strategic priorities.

Dennis Millard, interim Executive Chairman, commented:

"The consumer environment remains difficult and the unseasonal weather conditions this quarter had a direct impact on sales of cycles and outdoor leisure products. In this challenging economic environment the management team will be focused on maximising our trading performance and cash generation, prudent cost management and delivering the longer term strategy outlined to shareholders in May 2012."

Notes

1. Like-for-like sales represent revenues from UK and Irish stores trading for greater than 365 days.
2. Where appropriate, revenues denominated in foreign currencies have been translated at constant rates of exchange.
3. The range of PBT outcomes outlined above is based upon financial modeling of the current business and a range of revenue assumptions. The Board is not forecasting revenues for the remainder of the year and retains the flexibility to react to changing trading conditions. The above range of PBT outcomes therefore does not represent a forecast and comes before non-recurring items.
4. The information in this announcement is sourced from unaudited management accounts.

Enquiries

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Conference Call

There will be a conference call for analysts at 8.00am today. The participant dial-in is +44 (0) 0203 140 0668 or +44 (0)800 368 1950 (toll free). The PIN is 900655#.

To access a recording of the call, the participant dial-in is +44 (0) 0203 140 0698 or +44 (0)800 368 1890 (toll free). The PIN is 385495#.

Forthcoming Newsflow

The Halfords Group plc Annual General Meeting on 29 July 2012 will be followed by a pre-close statement for the 26-week period to 28 September 2012 on 4 October 2012. The interim results will be published on 8 November 2012.

Notes to Editors

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

Halfords Group plc

The Group is the UK's leading retailer of automotive, leisure and cycling products and through Halfords Autocentres also one of the UK's leading independent car servicing and repair operator. Halfords customers shop at more than 460 stores in the UK and Republic of Ireland and at halfords.com for pick-up at their local store or direct home delivery. Halfords Autocentres operates from more than 260 sites nationally and offers motorists dealership-quality MOTs, repairs and car servicing at affordable prices.

Halfords employs approximately 12,000 staff and sells around 10,000 product lines in stores, increasing to around 16,000 lines online. The product offering encompasses significant ranges in car parts, cycles, in-car technology, child seats, roof boxes, outdoor leisure and camping equipment. Halfords own brands include the in-store *Bikehut* department, for cycles and cycling accessories, *Apollo* and *Carrera* cycles and exclusive UK distribution rights of the premium ranged *Boardman* cycles and accessories. In outdoor leisure, we sell a premium range of camping equipment, branded *URBAN Escape*. 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 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.