

Latest Press Releases

06/10/2011

Pre-Close Trading Statement

Halfords Group plc, the UK's leading retailer of automotive/leisure products and operator in auto servicing issues the following trading update for the second quarter and first half-year ended 30 September.

Revenue Analysis ¹	13 Weeks to 30 September 2011		26 Weeks to 30 September 2011	
	LfL %	Total %	LfL	Total %
Car Maintenance	-3.3	-2.8	-3.1	-2.5
Car Enhancement	-8.9	-8.5	-9.8	-9.2
Leisure	+1.5	+2.2	+3.9	+4.7
Retail	-2.8	-2.0	-1.9	-1.2
Autocentres	+3.1	+10.6	+2.7	+9.0
Group total		-0.6		-0.1

Q2 HIGHLIGHTS

- Cycling LFL sales up 5.7%
- **Wefit** penetration of bulbs, wiper blades and batteries (3Bs) increases to 22.1% compared to 20.2% in Q2 last year
- Online sales penetration 8.4%
- Autocentre sales growth of +10.6% with LFLs +3.1%

FIRST HALF

RETAIL

In a tough market we are creating value for customers through the price, quality and innovation of products and our expert service, as well as retaining a clear focus on costs and cash margins. We also continue to invest appropriately where we believe we can make returns.

In the first half, overall Retail sales declined by 1.2% and by 1.9% on a like for like basis.

In Leisure, cycling sales have continued to grow, boosted by the launch of the new range of Carrera in July and strong sales of accessories.

Whilst Car Maintenance remains subdued, sales of Halfords range of **wefit** services continue to grow. In Car Enhancement we again increased market share in both In-Car Audio and Sat Nav.

Full Year gross margin guidance of at least 100bps year on year decline and operating cost guidance remain unchanged.

AUTOCENTRES

Halfords Autocentres revenues continued on a positive and improving trend as we helped motorists with quality service at more affordable prices. Total sales grew 9.0% over the half and like for like sales are up 2.7%. In particular we have seen strong demand for servicing and tyres.

Against a background of strong growth, we continue to invest in developing the business. This activity plus expected start-up losses from the opening programme means that first half operating profits for Autocentres will be below last year. We launched six new centres in the first half and we expect to significantly accelerate openings during in the rest of the year.

PROFIT BEFORE TAX

Group profit before tax for the first half is expected to be in the range of £53 - £55 million.

BALANCE SHEET AND CASH

The business is cash generative, pays material dividends and remains in a sound financial position. In line with our intention to improve year on year availability, our inventories at the half year will be higher than the prior year. Net debt for the half year is expected to be around £145 million. To date we have purchased 13.8 million shares for £48.6 million at an average price of 353.2 pence per share through our share buyback programme.

David Wild, Chief Executive Officer, commented:

"The tough consumer environment which particularly affects motorists is continuing to influence spending patterns. We are taking constructive steps to protect our sales and profitability by delivering real value and service to our customers. There are clear signs that this strategy has had a positive impact in our stores through the summer and we are particularly pleased with the growth in cycles and fitting services.

Our autocentres have shown impressive revenue growth, counter to the trend in the sector. This demonstrates how the Halfords brand is gaining traction in aftercare and justifies the long-term investments we are making.

We are carefully managing all aspects of our business to deliver optimal performance for customers and investors alike in these harsh times."

End

1. Notes

The information in this announcement is based on unaudited management accounts information.

- Like-for-like sales represents revenues from stores or Autocentres trading for greater than 365 days
- Revenues denominated in foreign currencies have been translated at constant rates of exchange.
- Retail and Group revenues exclude £1.9m of revenues from Central Europe in H1 FY11.
- The sales benefit within Retail, from the timing of Easter, is estimated to be around 60bps for the first half.

Analysts Call

There will be an analysts' call today at 8.30am

Dial in details are:

Participant dial-in: 0800 368 1986

No PIN required

There will be a playback facility available until midnight on Wednesday 12 October.

To access this, the details are:

Replay Access Number: 0800 368 1890

Replay Access Code: 379597#

Enquires:

Analysts:

Halfords Group plc

Andrew Findlay, Finance Director

Louise Richardson, Interim Investor Relations Officer

On the day number

+44 (0)207 379 5151 (On the day)

+44 (0)1527 513113 (thereafter)

Media:

Maitland

Neil Bennett

Richard Farnsworth

+44 (0)207 379 5151

+44 (0)207 379 5151

Financial Calendar

Halfords will announce its Interim Results for the 26 weeks ended 30 September 2011 on 10 November 2011.

Notes to Editors:

www.halfords.co.uk

www.halfordscompany.co.uk

www.halfordsautocentres.co.uk

Halfords Group plc

The Group is the UK's leading retailer of automotive, leisure and cycling products and through Halfords Autocentres also the UK's leading independent car servicing and repair operator.

Halfords customers shop at 466 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 now operates from 246 sites nationally and offers motorists dealership quality MOTs, repairs and car servicing at affordable prices.

Halfords employs approximately 11,000 staff and sells over 14,000 different product lines with 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.