

Halfords Group plc (“Halfords”)

Trading Update

3 April 2007

Halfords, the UK’s leading auto, leisure and cycling products retailer, today issues the following trading update for the 52 weeks to 30 March 2007, in advance of publishing preliminary results on Thursday 7 June 2007.

Sales for the 52 weeks to 30 March 2007 increased by 9.1% over the equivalent period last year and like-for-like sales increased by 6.0%⁽¹⁾.

Like-for-like sales growth has continued at a consistent level throughout the year with growth delivered in all categories. Earnings growth has been supported by a further reduction in margin dilution as the product mix continues to be managed effectively. Earnings per share have been further enhanced by the company’s share buy-back programme⁽²⁾, that to date has totalled 3.9% of the shares originally in issue. The company is expecting to declare a full year profit before tax in line with market expectations.

Ian McLeod, Chief Executive, said:

“We are pleased with this performance which provides further evidence of Halfords’ unique position in the retail market, the strength of its key product categories and its service differentiation. Our store development programme continues to progress, with the opening of 25 new stores⁽³⁾ during the year and the development of new formats including standalone Bikehut stores in Brighton and Putney.”

Notes

1. Adjusting for the absence of an Easter period in the previous financial year, underlying like-for-like sales growth is 5.3%.
2. Since announcing its share buy-back programme on the 8 June 2006, Halfords has purchased 9,003,956 (3.9%) of its own shares for cancellation at a consideration, before costs, of £29,821,478, an average of 331.2 pence per share.
3. 18 stores net of closures

Preliminary Results

Halfords will on Thursday, 5 April 2007 host a store visit day for investors and analysts to a new Bikehut and a Halfords supermezzanine store. No new information on current trading will be provided during the visit.

Halfords will announce its preliminary results for the 52 weeks ended 30 March 2007 on Thursday, 7 June 2007. A presentation for analysts and investors will be held at 9.30 a.m. at The Auditorium, Merrill Lynch Financial Centre, 2 King Edward Street, London EC1A 1HQ.

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Halfords is the UK's leading auto, leisure and cycling products retailer, with 426 stores and 10,000 employees. Established in 1892 as F.W. Rushbrooke and subsequently renamed Halfords in 1907, the company was floated on the London Stock Exchange in June 2004. The Group sells 11,000 different product lines, ranging from car parts and cycles through to the latest in-car technology, alloy wheels, child seats, roof boxes and outdoor leisure and camping equipment. Halfords' own brands include *Ripspeed*, for car enhancement, and *Bikehut*, for cycles and cycling accessories, including the *Apollo* and *Carrera* brands. Halfords is developing new store formats and now operates from 15 smaller format, neighbourhood stores and two standalone Bikehuts located in Brighton and Putney. Stores offer a "*We'll fit it*" service for car parts, child seats, satellite navigation and in-car entertainment systems, and a "*We'll repair it*" service for cycles.

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