



Halfords Group plc
Pre-Close Trading Statement
STRONG Q2 PERFORMANCE

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 26-week period to 28 September 2012:

	Q2 FY13 % change	H1 FY13 % change	Q1 FY13 % change
TOTAL REVENUE			
Halfords Group	+6.2	+0.4	-5.2
Retail	+4.3	-1.9	-7.8
Autocentres	+19.9	+17.2	+14.5
LIKE-for-LIKE (LfL) REVENUE			
Halfords Group	+5.6	-0.1	-5.6
Retail	+4.6	-1.6	-7.5
Cycling	+14.7	+1.9	-9.6
Car Maintenance	+2.7	+1.8	+1.0
Car Enhancement	-1.5	-6.0	-10.5
Travel Solutions	-0.9	-6.6	-12.5
Autocentres	+12.4	+10.8	+9.2

Key Points for the Second Quarter

Retail

- Cycling: strong performance fuelled by active trading, better weather and Tour de France & Olympic successes
- Car Maintenance: solid performance across all main categories and a further increase in 3Bs fitting penetration
- Car Enhancement: growth in Audio and Car Cleaning partially offset the Sat Nav decline
- Travel Solutions: reduced Camping demand and a focus on maximising cash margins in Child Travel
- Enhanced multichannel offer and customer fulfilment delivered a 30.0% uplift in online sales

Autocentres

- Strongest LfL performance since acquisition in February 2010
- Better-than-expected increase in tyre participation
- Good pipeline of new centres for opening this year

Group & Outlook

- Group profit before tax for the first half is expected to be £40m-£42m reflecting the strong Q2 sales performance and an acceleration of operating-cost investment
- First-half net debt is expected to be c.£115m, reflecting robust working capital and cash management
- Full-year guidance and second-half planning assumptions of flat to mid-single-digit negative Retail LfLs remain unchanged; however, given the Q2 performance, FY13 PBT would now be in the upper half of the previously-stated range of £62-70m
- As previously indicated, the intention is to declare an unchanged interim dividend of 8p per share, payable in Jan 2013
- Matt Davies is appointed Chief Executive with immediate effect; see separate announcement

Dennis Millard, Chairman, commented:

“Our trading stance together with the actions we took to capitalise on a successful summer of sport and improved weather meant we delivered a stronger Retail top line in the period, recovering some of the ground lost in the Spring. We continued to be encouraged by the performance of Autocentres. Our second-half planning assumptions, however, remain cautious given the prevailing pressures on the consumer as we approach the important winter and Christmas trading periods.

By continuing to build on our service ethic and investing further in training and support for our colleagues, we aim to improve the quality of service for our Retail customers and thus drive sustainable medium-term growth. Amongst a number of initiatives to support our customer-service delivery, we have recently recruited over 450 new fitting colleagues and retrained existing colleagues to help grow sales of Retail **wefit** solutions.

The management team continues to focus on active trading, cash generation, prudent cost management and executing against material opportunities to drive long-term value.”

The Halfords Group plc interim results will be published on 21 November 2012.

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
3. Some information in this announcement is sourced from unaudited management accounts.
4. Group PBT is before non-recurring items.
5. Cycling and Travel Solutions revenues will no longer be aggregated into a Leisure category. As reference, historic Cycling and Travel Solutions LfL and revenue category performances are as follows:

LFL % change	FY12	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12	FY11
Leisure	5.0%	2.2%	9.7%	1.5%	6.3%	-3.0%
Cycling	9.7%	5.7%	15.1%	5.7%	11.5%	-3.2%
Travel Solutions	-3.9%	-4.2%	-2.2%	-5.5%	-3.0%	-2.7%

Revenue £m	FY12	FY11
Leisure	325.6	308.1
Cycling	222.1	200.9
Travel Solutions	103.5	107.2

Enquiries

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Conference Call

There will be a conference call for analysts at 8.30am today. The participant dial-in is +44 (0) 203 140 0668 or +44 (0)800 368 1950 (toll free). The PIN is 429413#.

To access a recording of the call, the participant dial-in is +44 (0) 203 140 0698 or +44 (0)800 368 1890 (toll free). The PIN is 387005#.

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.