



Halfords Group plc (“Halfords”)

2 October 2008

Second Quarter Trading Update

“Half year profits in line with expectation”

Halfords, the UK’s leading auto, leisure and cycling products retailer, today issues the following trading update for the second quarter and 26 weeks to 26 September 2008.

During the second quarter, Group sales have increased by 1.5% over the equivalent period last year, representing a year-on-year like-for-like sales decline of 1.1%.

Year-on-year sales growth for the 26 weeks to 26 September 2008 is 1.6%. Adjusting for the absence of a full Easter during the period, this performance represents sales growth equivalent to 2.2% and equates to a like-for-like sales decline of 0.5% (1.1% unadjusted for Easter)¹.

Halfords’ core categories of Car Maintenance and Leisure continue to perform strongly. The defensive characteristics of Halfords’ car maintenance proposition and its continued growth within cycling, despite the poor summer weather, reinforce the benefits of its leading positions in these markets.

The growth in car maintenance together with active margin management strategies across all categories, has resulted in a strengthening of gross margin ahead of internal expectations². In addition, and notwithstanding Halfords’ resilient trading, management continues to manage the cost base.

Consequently, the Board remains confident that the business will deliver half-year profits in line with expectation.

David Wild, Chief Executive, who joined the business on 4 August 2008, said:

“In my short time with Halfords, I have been impressed by the caliber of the people and reassured by the strength and resilience of the business, which has proven to be robust. The Group enjoys market leading positions, has a well structured balance sheet and generates strong cash flow. These characteristics position it well in these challenging conditions and I remain encouraged by our prospects for the remainder of the year”.

Notes.

1.	13 weeks to 26 September 2008 Q2 %	13 weeks to 27 June 2008 Q1 %	26 weeks to 26 September 2008 H1 %
Sales	+1.5	+1.7	+1.6
Like-for-like sales	-1.1	-1.1	-1.1

2. Previous guidance has been for gross margin percentage to fall within a range of –20bps and +20bps of the previous years value.
3. In the 26 weeks to 26 September 2008, the company has purchased 4,687,816 of its own shares for a consideration of £12,981,587, at an average price of 276.9 pence per share. Cumulatively since the buy back programme commenced on 8 June 2006, 23,145,510 shares have been purchased at an average of 315.7 pence per share.

Interim Results

Halfords will announce its interim results for the 26 weeks ended 26 September 2008 on Thursday, 20 November 2008. A presentation for analysts and investors will be held at 9.30 a.m. at The City Presentation Centre, 4 Chiswell Street, London EC1Y 4UP.

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Notes to Editors

Halfords (www.halfords.co.uk)

The Group employs in excess of 10,500 staff and sells over 10,000 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, *Bikehut*, for cycles and cycling accessories, including the *Apollo* and *Carrera* brands. Two further premium brands were added during 2008; *Boardman cycles* and accessories, where Halfords has exclusive UK distribution rights, and *URBAN Escape* for camping equipment. Operating from 455 stores, including four stores in the Czech Republic, 25 smaller format, neighbourhood stores and six standalone Bikehuts, Halfords offers a "*wefit*" service 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 which 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.