



India Essentials

Monday, 8 June 2009

GMR Infrastructure (Underperform) 2

Valuations ahead of fundamentals

Inderjeetsingh Bhatia

We revisit our assumptions on GMR given relaxation of commercial activities at Delhi airport land and GDP upgrades. GMR reported 4Q FY09 results. 4Q FY09 results in line with expectations: Revenues from the construction JV of the Sabiha Gokken airport boosted total revenues and made up for the shortfall in airport revenues. Significant relaxation in land development norms: The government has relaxed land use restrictions on airport land.

MacQTel Asia Pac portfolio 3

Winners and losers

Tim Smart

The MacQTel Asia Pac portfolio was up 0.7% for the week (29 May–4 June), underperforming the benchmark MSCI AP telco index (+1.3%) and the broader MSCI AP +1.1% (all performance in US\$). YTD, the telecoms sector continues to be a substantial underperformer against broader markets with the MSCI AP telcos underperforming the broader MSCI AP benchmark by 19.5ppt. On an ex Japan basis, telcos underperformance is even more severe – MSCI APxJ telcos have underperformed the MSCI APxJ index by 24.3%.

Macquarie Commodities Comment 4

Nickel prices gain on Chinese demand

Bonnie Liu

Nickel prices have rallied to above \$6/lb as stainless steel production has ramped up in China and a profitable arbitrage has opened for imports. Latest news Copper prices ended the week back below \$5,000/t as a stronger US dollar weighed on commodities prices. For the week, aluminium was up 9.2%, lead up 6.3%, nickel up 4.7%, copper up 3.0%, and zinc down 0.1%. Spot capesize rates ended the week at \$76,396/d, up from \$67,480/d on the previous Friday but 18% down from their \$93,197/d peak on Wednesday.

India Market performance India market snapshot 5 6

Fresh Money Ideas

Company	Rec	Target px (1cy)	Closing (1cy)	Upside/Downdside (%)
Bharti Airtel (BHARTI IN)	OP	975.00	824.80	18
HDFC Bank (HDFCB IN)	N	1,500.00	1,418.70	6
Sun Pharmaceuticals (SUNP IN)	OP	1,510.00	1,341.90	13
Indian Oil (IOCL IN)	OP	685.00	594.65	15
ITC (ITC IN)	OP	220.00	191.40	15
Akruti City (AKCL IN)	UP	250.00	601.85	-58
National Aluminium Company (NACL IN)	UP	120.00	348.85	-66
Tata Communications (TCOM IN)	UP	315.00	508.05	-38
MTNL (MTNL IN)	UP	51.00	117.80	-57
State Bank of India (SBIN IN)	UP	900.00	1,817.90	-50

OP = Outperform, UP = Underperform, N = Neutral
Source: Thomson Datastream, Macquarie Research estimates
Data as at 08/06/2009

Top Quant Alphas

HERO HONDA MOTORS LTD. (500182.0 IN)
ACC LTD. (500410.0 IN)
PUNJAB NATIONAL BK.LTD. (532461.0 IN)
TATA STEEL LTD. (500470.0 IN)
AMBUJA CEMENTS LTD. (500425.0 IN)

Bottom Quant Alphas

TATA COMMUNICATIONS LTD. (500483.0 IN)
ABB LTD. (500002.0 IN)
RANBAXY LABS.LTD. (500359.0 IN)
DLF LTD. (532868.0 IN)
RELIANCE CAPITAL LTD. (500111.0 IN)

Source: Macquarie Research.
Data as at 01/06/2009.
Screening for all stocks in India with Market Cap over US\$2bn.

INDIA

GMR Infrastructure

8 June 2009

GMRI IN Underperform

Stock price as of 05 Jun 09	Rs	171.05
12-month target	Rs	104.00
Upside/downside	%	-39.2
Valuation	Rs	104.00
- Sum of Parts		

GICS sector	capital goods	
Market cap	Rs m	311,424
30-day avg turnover	US\$m	38.4
Market cap	US\$m	6,611
Number shares on issue	m	1,821

Investment fundamentals

Year end 31 Mar		2009A	2010E	2011E	2012E
Total revenue	m	40,192	42,813	51,699	0
EBITDA	m	10,670	16,270	23,559	0
EBITDA growth	%	78.3	52.5	44.8	0.0
Adjusted profit	m	2,750	2,722	4,258	0
EPS adj	Rs	1.51	1.50	2.34	0.00
EPS adj growth	%	30.9	-1.0	56.4	nmf
Total DPS	Rs	0.00	0.00	0.00	0.00
Total div yield	%	0.0	0.0	0.0	0.0
ROA	%	4.3	5.6	8.9	0.0
ROE	%	4.4	4.1	6.1	0.0
EV/EBITDA	x	32.6	21.4	14.8	0.0
Net debt/equity	%	46.8	71.2	62.2	nmf
Price/book	x	4.8	4.6	4.4	0.0

GMRI IN rel SENSEX performance, & rec history



Source: FactSet, Macquarie Research, June 2009 (all figures in INR unless noted)

Analyst

Indrajeetsingh Bhatia
91 22 6653 3166 inderjeet.bhatia@macquarie.com
Somesh Agarwal
91 22 6653 3064 somesh.agarwal@macquarie.com

Valuations ahead of fundamentals

Event

- We revisit our assumptions on GMR given relaxation of commercial activities at Delhi airport land and GDP upgrades. GMR reported 4Q FY09 results.

Impact

- 4Q FY09 results in line with expectations:** Revenues from the construction JV of the Sabiha Gokken airport boosted total revenues and made up for the shortfall in airport revenues.
- Significant relaxation in land development norms:** The government has relaxed land use restrictions on airport land. Practically, now the entire land bank is open to a host of commercial activities ranging from IT/ITES to warehousing (see Fig 4 for the entire list of activities allowed).
- Return outlook on airport business improves:** We have upgraded traffic estimates for Delhi and Hyderabad airport on the back of the improving economic climate, despite the lacklustre performance in recent quarters. Macquarie economist Rajeev Malik has upgraded India GDP estimates for the next two years (7.0% for FY10, from 5.5%, and 7.5% for FY11, from 6.5%).
- Street too optimistic on power valuations:** We believe that the market is building in much higher valuations for GMR's power assets. We continue to desist from valuing any of the projects which are still in very early stages of development. Our valuation for the power portfolio is still at 3.0x P/BV.

Earnings and target price revision

- Earnings marginally revised up in FY11 by 2.8% on higher earnings from airport operations. Target price raised to Rs104 from Rs82.00.

Price catalyst

- 12-month price target: Rs104.00 based on a Sum of Parts methodology.
- Catalyst: Further leasing out of real estate assets at Delhi airport.

Action and recommendation

- Increasing target price to Rs104, maintain Underperform:** We have increased our target price to Rs104 primarily driven by higher valuations for airport operations and real estate valuations at Delhi airport. However, valuations are significantly ahead of fundamentals and we maintain our Underperform recommendation.
- Stock trading at an expensive 4.6x forward P/BV with ROE of 4.1%:** GMR is trading at a stretched P/BV multiple of 4.6x, which we believe cannot be justified even after 23% earnings growth and projected ROE of 6.1% only in FY11. Even adjusted for the real estate valuations, the stock is still at 3.6x P/BV, which is unjustified, in our view.

Please refer to the important disclosures and analyst certification on inside back cover of this document, or on our website www.macquarie.com.au/research/disclosures.

ASIA

MacQTel Asia Pac portfolio

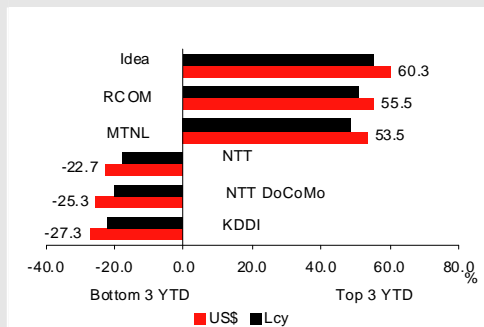
5 June 2009

MacQTel Asia Pac portfolio performance

	MacQTel PIPE	MSCI AP telco	MSCI AP AP	MSCI APxJ telco
Inception	-22.7%	-26.8%	-30.9%	-34.2%
YTD	-3.6%	-2.9%	16.6%	7.6%
Week	0.7%	1.3%	1.1%	3.4%

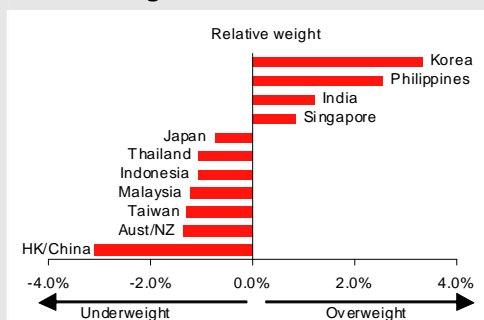
Source: Macquarie Research, June 2009, Bloomberg, Datastream

Asia telcos best and worst year to date



Source: Bloomberg, Macquarie Research, June 2009

MacQTel Asia Pac portfolio country relative weights vs MSCI AP Tel index



Source: Datastream, Bloomberg, Macquarie Research, June 2009

Analysts

Tim Smart
852 3922 3565
lisa.soh@macquarie.com

Lisa Soh, CFA
852 3922 1401
lisa.soh@macquarie.com

Winners and losers

Event

- The MacQTel Asia Pac portfolio was up 0.7% for the week (29 May–4 June), underperforming the benchmark MSCI AP telco index (+1.3%) and the broader MSCI AP +1.1% (all performance in US\$).
- YTD, the telecoms sector continues to be a substantial underperformer against broader markets with the MSCI AP telcos underperforming the broader MSCI AP benchmark by 19.5ppt. On an ex Japan basis, telcos underperformance is even more severe – MSCI APxJ telcos have underperformed the MSCI APxJ index by 24.3%.

Impact

- Winners:** China Unicom (762 HK, +19.4%) was the best performer for the week as the market seemingly focused more on longer-term potential than near-term performance, followed by MTNL (MTNL IN, +12.8%) on speculation that the new Indian government may reduce its stake in the operator and CCS (552 HK, +12.1%) rallying after recent underperformance.
- Losers:** PCCW (8 HK -6.9%) was the worst performer for the week followed by NTT (9432 JP, -5%) on profit-taking following recent stock strength, and DiGi (DIGI MK, -4.7%) on concerns Maxis (Malaysia's #1 wireless operator) may re-list.
- Helping:** Outperformance by overweights CCS, PLDT (+2.5%) and China Telecom (728 HK, +5%) helped portfolio performance this week, as did our zero weight in Thai telcos (down 1-2%).
- Hurting:** Major underweight China Unicom was the best performer for the week, hurting portfolio performance. Of our top four overweights, three underperformed with Bharti -0.7%, LGT -2.4% and SKT +0.6%.
- Portfolio moves:** We made some major changes to our portfolio last week, resulting in changes to our country weights. Korea and the Philippines are now our largest country overweights with HK/China our largest country underweight. Bharti is our top regional overweight. We remain overweight laggards SKT and LGT on account of the favourable risk/reward equation. While monthly subs/churn data has confirmed intensifying competition over the first four months of the year, we think this is more than priced at current valuations and, moreover, trend towards contracted subs should structurally reduce churn and improve margins, which in our view is not being factored into stock prices.
- Next week:** Quiet week, no results scheduled. We are in Beijing early next week speaking to industry contacts on the China telecoms where we are net underweight. We will be particularly focused on whether there is any fundamental basis for recent strength in Unicom and whether our underweight position should be sustained or reviewed.

MacQTel Asia Pac portfolio top overweights

Stock	Ticker	Rec.	CP (lcy)	TP (lcy)	Upside	Analyst
Bharti	BHARTI IN	OP	812	975	20%	Shubham Majumder
LG Telecom	032640 KS	OP	8,210	11,500	40%	Nathan Ramler
SK Telecom	017670 KS	OP	176,000	235,000	34%	Nathan Ramler
PLDT	TEL PM	OP	2,265	2,538	12%	Rama Maruvada

Note: Price data as of 4 June 2009

Source: Bloomberg, Macquarie Research, June 2009

Please refer to the important disclosures and analyst certification on inside back cover of this document, or on our website www.macquarie.com.au/research/disclosures.



Monday 8 June 2009

LME cash price

	US ¢/lb	% Change day on day
Aluminium	69.9	0.6
Copper	225.0	-0.9
Lead	75.0	0.5
Nickel	658.6	-0.7
Tin	676.1	0.2
Zinc	69.9	-0.7

Other prices

		% Change day on day
Gold (\$/oz)	962.00	-0.9
Silver (\$/oz)	15.65	2.3
Platinum (\$/oz)	1275.00	2.0
Palladium (\$/oz)	257.00	4.5
Oil WTI	68.97	-0.1
Cobalt (99.8%)	13.88	-0.9
\$/US/€ exchange rate	1.40	-1.1
US\$/A\$ exchange rate	0.80	0.4

LME/COMEX stocks

	Tonnes	Change
LME Aluminium	4,237,325	2,875
Nymex Aluminium	9,830	0
Nymex Al. Pieces	21,947	448
LME Copper	299,975	-3,225
Comex Copper	51,545	4
Lead	81,175	0
Nickel	108,672	-36
Tin	15,745	255
Zinc	324,775	900

Source: LME, Comex, Nymex, SHFE, Metal Bulletin, Reuters, LBMA, Macquarie Research

Analysts

Jim Lennon 44 20 3037 4271	jim.lennon@macquarie.com
Adam Rowley 44 20 3037 4272	adam.rowley@macquarie.com
Bonnie Liu 86 21 2414 9008	bonnie.liu@macquarie.com
Max Layton 44 20 3037 4273	max.layton@macquarie.com
Isaac Feehely 44 20 3037 4061	isaac.feehely@macquarie.com

Commodities Comment

Nickel prices gain on Chinese demand

Feature article

- Nickel prices have rallied to above \$6/lb as stainless steel production has ramped up in China and a profitable arbitrage has opened for imports.

Latest news

- Copper prices ended the week back below \$5,000/t as a stronger US dollar weighed on commodities prices. For the week, aluminium was up 9.2%, lead up 6.3%, nickel up 4.7%, copper up 3.0%, and zinc down 0.1%. Spot capesize rates ended the week at \$76,396/d, up from \$67,480/d on the previous Friday but 18% down from their \$93,197/d peak on Wednesday.
- Copper stocks on the Shanghai Futures Exchange grew 15kt on Friday. We understand that there could be another 50kt of copper to be delivered into exchange warehouses over June and July.
- US non-farm payrolls fell by 345,000 in May, the smallest fall in employment since September 2008 and much better than consensus forecasts of 520,000. It was the seventeenth straight month of falling payrolls, bringing the unemployment rate in the US in May to 9.4%, up from 8.9% in April.
- Steel Business Briefing reports that the China Iron and Steel Association (CISA) and Baosteel may have agreed internally to accept similar terms on new iron ore contracts to those struck in Japan last week (33% fall in fine prices) and that an announcement will be made on the settlement in the week of 8 June. CISA has maintained that it is seeking a price cut of at least 40% and has previously publicly rejected the offer of a 33% cut.
- Australia exported 10.6mt of thermal coal in April, an annualised rate of 129mt compared to full year exports of 126mt in 2008. Australia's thermal coal exports are up 5.3mt (13%) YTD. Destinations showing significant growth are Korea (up 3.9mt, 57%), China (up 1.6mt, 332%), and Mexico (up 1.5mt, 4194%), while exports to Japan are down 3.1mt (14%) YTD.
- Australia exported 5.8mt of hard coking coal (HCC) in April, an annualised rate of 71mt compared to full year exports of 84mt in 2008. HCC shipments to China fell to 733kt, down around 60% MoM. This fall is consistent with Hay Point shipping data, which suggests a dip in April followed by recovering exports to China in May and June.

Analyst Certification: The views expressed in this research accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst principally responsible for the preparation of this research receives compensation based on overall revenues of Macquarie Group Ltd ABN 94 122 169 279 (AFSL No. 318062)(MGL) and its related entities (the Macquarie Group) and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Disclaimers: Macquarie Securities (Australia) Ltd; Macquarie Capital (Europe) Ltd; Macquarie Capital Markets Canada Ltd; Macquarie Capital Markets North America Ltd; Macquarie Capital (USA) Inc; Macquarie Capital Securities Ltd; Macquarie Capital Securities (Singapore) Pte Ltd; Macquarie Securities (NZ) Ltd; and Macquarie First South Securities (Pty) Limited are not authorised deposit-taking institutions for the purposes of the Banking Act 1959 (Commonwealth of Australia), and their obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL) or MGL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of any of the above mentioned entities. MGL provides a guarantee to the Monetary Authority of Singapore in respect of the obligations and liabilities of Macquarie Capital Securities (Singapore) Pte Ltd for up to SGD 35 million. This research has been prepared for the general use of the wholesale clients of the Macquarie Group and must not be copied, either in whole or in part, or distributed to any other person. If you are not the intended recipient you must not use or disclose the information in this research in any way. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any transaction. In preparing this research, we did not take into account the investment objectives, financial situation and particular needs of the reader. Before making an investment decision on the basis of this research, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. This research is based on information obtained from sources believed to be reliable but we do not make any representation or warranty that it is accurate, complete or up to date. We accept no obligation to correct or update the information or opinions in it. Opinions expressed are subject to change without notice. No member of the Macquarie Group accepts any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research.

Other Disclaimers: In Canada, securities research is prepared, approved and distributed by Macquarie Capital Markets Canada Ltd, a participating organisation of the Toronto Stock Exchange, TSX Venture Exchange & Montréal Exchange. Macquarie Capital Markets North America Ltd., which is a registered broker-dealer and member of FINRA, accepts responsibility for the contents of reports issued by Macquarie Capital Markets Canada Ltd in the United States and to US persons and any person wishing to effect transactions in the securities described in the reports issued by Macquarie Capital Markets Canada Ltd should do so with Macquarie Capital Markets North America Ltd. Securities research is issued and distributed by Macquarie Securities (Australia) Ltd (AFSL No. 238947) in Australia, a participating organisation of the Australian Securities Exchange; Macquarie Securities (NZ) Ltd in New Zealand, a licensed sharebroker and New Zealand Exchange Firm; Macquarie Capital (Europe) Ltd in the United Kingdom, which is authorised and regulated by the Financial Services Authority (No. 193905); Macquarie Capital Securities Ltd in Hong Kong, which is licensed and regulated by the Securities and Futures Commission; Macquarie Capital Securities (Japan) Limited in Japan, a member of the Tokyo Stock Exchange, Inc., Osaka Securities Exchange Co. Ltd, and Jasdq Securities Exchange, Inc. (Financial Instruments Firm, Kanto Financial Bureau(kin-sho) No. 231, a member of Japan securities Dealers Association and Financial Futures Association of Japan); Macquarie First South Securities (Pty) Limited in South Africa, a member of the JSE Limited and in Singapore, Macquarie Capital Securities (Singapore) Pte Ltd (Company Registration Number: 198702912C), a Capital Markets Services licence holder under the Securities and Futures Act to deal in securities and provide custodial services in Singapore. Pursuant to the Financial Advisers (Amendment) Regulations 2005, Macquarie Capital Securities (Singapore) Pte Ltd is exempt from complying with sections 25, 27 and 36 of the Financial Advisers Act. Clients should contact analysts at, and execute transactions through, a Macquarie Group entity in their home jurisdiction unless governing law permits otherwise. Macquarie Capital (USA) Inc., which is a registered broker-dealer and member of FINRA, accepts responsibility for the content of each research report prepared by one of its non-US affiliates when the research report is distributed in the United States by Macquarie Capital (USA) Inc. Macquarie Capital (USA) Inc. affiliate research reports and affiliate employees are not subject to the disclosure requirements of FINRA rules. Any persons receiving this report directly from Macquarie Capital (USA) Inc. and wishing to effect a transaction in any security described herein should do so with Macquarie Capital (USA) Inc. The information contained in this document is confidential. If you are not the intended recipient, you must not disclose or use the information in this document in any way. If you received it in error, please tell us immediately by return e-mail and delete the document. We do not guarantee the integrity of any e-mails or attached files and are not responsible for any changes made to them by any other person. MGL has established and implemented a conflicts policy at group level (which may be revised and updated from time to time) (the "Conflicts Policy") pursuant to regulatory requirements (including the FSA Rules) which sets out how we must seek to identify and manage all material conflicts of interest. Disclosures with respect to the issuers, if any, mentioned in this research are available at www.macquarie.com/research/disclosures. © Macquarie Group

Level 31 CityPoint 1 Ropemaker St, London EC2Y 9HD
Toll Free (from Australia) 1800 142 266

www.macquarie.com/research

London (44 20) 3037 4400
Sydney (612) 8232 9555
Hong Kong (852) 2823 3588

New York (1 212) 231 2500
Melbourne (613) 9635 8139
Singapore (65) 6231 1111



INDIA

Market performance

8 June 2009

Including the quarterly results calendar



Market performance

	Last	% chg 1D	% chg YTD
BSE Sensex	15,104	0.6	56.6
NSE NIFTY	4,587	0.3	55.0
CNX Mid-cap	5,683	-0.4	52.1
S&P 500	942	1.1	4.3
NASDAQ	1,850	1.3	17.3
FTSE 100	4,454	1.5	0.5
NIKKEI - 225	9,768	1.0	10.3

Source: Bloomberg, Macquarie Research, June 2009

Fixed income, currencies, commodities

	Last	% chg 1D	% chg YTD
10-year govt bond	6.6	0.0	31.8
Interbank rate	3.3	0.0	-49.5
US\$1 = Rs	47.1	0.2	3.6
Gold (US\$/oz)	977.1	-0.3	10.8
Crude (US\$/bbl)	69.1	1.2	65.5

Source: Bloomberg, Macquarie Research, June 2009

ADR/GDR (US\$)

	Last price	% chg 1D	Prem/Disc
Tata Motors	32.2	7.2	0.4
Infosys	5.0	4.1	0.4
HDFC Bank	13.7	4.1	-6.2
ICICI Bank	26.8	3.4	#N/A N Ap
Reliance Industries (GDR)	2.0	3.1	#N/A N/A
MTNL	102.0	3.1	12.9
Wipro	12.4	1.5	48.1
Rediff.com	3.4	1.2	NA
Satyam	35.6	0.9	-1.3
Ranbaxy (GDR)	10.3	0.3	25.1
SBI (GDR)	6.1	-1.0	1.5
Cognizant Technologies	94.5	-1.8	NA
Satyam Infoway	77.3	-3.6	NA
Dr Reddy	2.9	-15.4	0.7

Source: Bloomberg, Macquarie Research, June 2009

Daily net flows (US\$m)

	Date	Last	MTD	YTD
Foreign funds equity (Net)	04/06/2009	14.2	6191.0	4707.6
Indian Mutual funds equity (Net)	04/06/2009	-8.6	307.9	137.5
FII Net stock futures	04/06/2009	-141.4	-1149.4	-1225.9
FII Net index futures	04/06/2009	-141.4	-337.0	-536.8

Source: Bloomberg, Macquarie Research, June 2009

Derivatives (open interest)

(US\$)	Last	% chg 1D	% chg YTD
Stock futures (05/06)	5534.4	-2.8	93.6
Index futures (05/06)	3076.7	2.3	49.6

Market turnover

	US\$ m	% chg 1D
BSE turnover	1,876	-3.1
NSE turnover	5,583	0.3

BSE (Top 5)

Top Gainers	Last price	% chg 1D
Grasim	2513.4	5.7
Tata Motors	389.2	5.5
BHEL	2287.5	5.0
L&T	1522.6	4.6
Infosys	1698.9	4.2

BSE (Bottom 5)

Top Losers	Last price	% chg 1D
Satyam	66.9	-6.6
ITC	191.4	-5.6
Reliance Infrastructure	1226.8	-3.7
SBI	1817.7	-3.5
Reliance	2212.8	-2.2

Source: Bloomberg, Macquarie Research, June 2009

Trading/Dealing Line: + 91 22 6653 3200
US Toll Free: 1888 622 7862

Please refer to the important disclosures on inside back cover of this document, or on our website www.macquarie.com.au/research/disclosures.

4Q FY09 results calendar

Mon	Tue	Wed	Thurs	Fri	Sat	Sun
04-May	05-May	06-May	07-May	08-May	09-May	10-May
HDFC Ltd			Union Bank of India JSW Steel	Akruti City	SBI GMR Infrastructure	
11-May	12-May	13-May	14-May	15-May	16-May	17-May
Kotak Mahindra Bank						
18-May	19-May	20-May	21-May	22-May	23-May	24-May
Punj Lloyd		Punjab National Bank	Bajaj Auto Limited	ITC	Housing Development and Infrastructure	
25-May	26-May	27-May	28-May	29-May	30-May	31-May
Tata Communications		Jindal Steel and Power Cairn India NIIT BHEL	Steel Authority of India Nagarjuna Construction Larsen & Toubro	Bharat Petroleum Corporation Indian Oil Corporation IVRCL Tata Motors	Sun Pharmaceuticals	
01 June	02 June	03 June	04 June	05 June	06 June	07 June
Hindustan Petroleum Corporation Ansal Properties & Infrastructure		National Aluminium Company		Indiabulls Real Estate		
08 June	09 June	10 June	11 June	12 June	13 June	14 June
GAIL						
15 June	16 June	17 June	18 June	19 June	20 June	21 June
22 June	23 June	24 June	25 June	26 June	27 June	28 June
29 June	30 June					

Source: Macquarie Research, June 2009



INDIA

India market snapshot

8 June 2009

Macquarie India coverage vs Sensex – PER and diluted EPS growth

Sector	Market cap (US\$bn)	PER (x)		Diluted EPS growth (%)	
		2010E	2011E	2010E	2011E
Pharma	8.9	19.4	14.7	28.1	31.8
Auto	21.1	17.1	15.5	24.5	10.6
Engineering & Construction	71.1	22.3	17.8	43.0	25.2
Oil & Gas	183.4	12.5	11.3	35.0	9.8
IT	50.6	10.1	8.4	13.8	20.1
Cement	14.6	10.4	12.0	3.8	-12.8
Metals & Mining	49.8	20.6	12.7	-49.4	61.7
Telecom & Media*	40.9	15.3	13.3	14.0	15.1
Real Estate	9.3	10.8	9.3	9.5	15.9
Consumer	32.9	21.0	17.6	22.2	19.4
Banks	111.0	14.4	12.5	5.0	15.1
Total coverage universe	635.6	14.5	12.3	11.2	17.2
Sensex**	482.6	16.2	13.7	7.3	18.2

Note: Sector data based on Macquarie India's coverage universe. All prices are in local currency, as of 5 June 2009.

* Excluding Dish TV which has negative PAT

** Sensex data (ex-market cap) is based on a combination of estimates from Macquarie (for rated stocks) and Bloomberg (for non-rated stocks).

Source: Bloomberg, Macquarie Research, June 2009

Analysts

Seshadri Sen, CFA

91 22 6653 3053

seshadri.sen@macquarie.com

Mudit Painuly

91 22 6653 3044

mudit.painuly@macquarie.com

Please refer to the important disclosures and analyst certification on inside back cover of this document, or on our website www.macquarie.com.au/research/disclosures.

Important disclosures:

Recommendation definitions

Macquarie - Australia/New Zealand

Outperform – return >5% in excess of benchmark return
Neutral – return within 5% of benchmark return
Underperform – return >5% below benchmark return

Macquarie – Asia/Europe

Outperform – expected return >+10%
Neutral – expected return from -10% to +10%
Underperform – expected return <-10%

Macquarie First South - South Africa

Outperform – expected return >+10%
Neutral – expected return from -10% to +10%
Underperform – expected return <-10%

Macquarie - Canada

Outperform – return >5% in excess of benchmark return
Neutral – return within 5% of benchmark return
Underperform – return >5% below benchmark return

Macquarie - USA

Outperform (Buy) – return >5% in excess of benchmark return
Neutral (Hold) – return within 5% of benchmark return
Underperform (Sell) – return >5% below benchmark return

Recommendations – 12 months

Note: Quant recommendations may differ from Fundamental Analyst recommendations

Volatility index definition*

This is calculated from the volatility of historical price movements.

Very high–highest risk – Stock should be expected to move up or down 60–100% in a year – investors should be aware this stock is highly speculative.

High – stock should be expected to move up or down at least 40–60% in a year – investors should be aware this stock could be speculative.

Medium – stock should be expected to move up or down at least 30–40% in a year.

Low–medium – stock should be expected to move up or down at least 25–30% in a year.

Low – stock should be expected to move up or down at least 15–25% in a year.

* Applicable to Australian/NZ/Canada stocks only

Financial definitions

All "Adjusted" data items have had the following adjustments made:

Added back: goodwill amortisation, provision for catastrophe reserves, IFRS derivatives & hedging, IFRS impairments & IFRS interest expense
Excluded: non recurring items, asset revals, property revals, appraisal value uplift, preference dividends & minority interests

EPS = adjusted net profit / efpowa*

ROA = adjusted ebit / average total assets

ROA Banks/Insurance = adjusted net profit / average total assets

ROE = adjusted net profit / average shareholders funds

Gross cashflow = adjusted net profit + depreciation
*equivalent fully paid ordinary weighted average number of shares

All Reported numbers for Australian/NZ listed stocks are modelled under IFRS (International Financial Reporting Standards).

Recommendation proportions – For quarter ending 31 March 2009

	AU/NZ	Asia	RSA	USA	CA	EUR
Outperform	40.44%	49.55%	44.83%	38.49%	67.19%	43.84%
Neutral	38.60%	15.57%	39.66%	46.43%	28.12%	39.04%
Underperform	20.96%	34.88%	15.52%	15.08%	4.69%	17.12%

Analyst Certification: The views expressed in this research accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst principally responsible for the preparation of this research receives compensation based on overall revenues of Macquarie Group Ltd ABN 94 122 169 279 (AFSL No. 318062)(MGL) and its related entities (the Macquarie Group) and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Disclaimers: Macquarie Securities (Australia) Ltd; Macquarie Capital (Europe) Ltd; Macquarie Capital Markets Canada Ltd; Macquarie Capital Markets North America Ltd; Macquarie Capital (USA) Inc; Macquarie Capital Securities Ltd; Macquarie Capital Securities (Singapore) Pte Ltd; Macquarie Securities (NZ) Ltd; and Macquarie First South Securities (Pty) Limited are not authorised deposit-taking institutions for the purposes of the Banking Act 1959 (Commonwealth of Australia), and their obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL) or MGL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of any of the above mentioned entities. MGL provides a guarantee to the Monetary Authority of Singapore in respect of the obligations and liabilities of Macquarie Capital Securities (Singapore) Pte Ltd for up to SGD 35 million. This research has been prepared for the general use of the wholesale clients of the Macquarie Group and must not be copied, either in whole or in part, or distributed to any other person. If you are not the intended recipient you must not use or disclose the information in this research in any way. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any transaction. In preparing this research, we did not take into account the investment objectives, financial situation and particular needs of the reader. Before making an investment decision on the basis of this research, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. This research is based on information obtained from sources believed to be reliable but we do not make any representation or warranty that it is accurate, complete or up to date. We accept no obligation to correct or update the information or opinions in it. Opinions expressed are subject to change without notice. No member of the Macquarie Group accepts any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research.

Other Disclaimers: In Canada, securities research is prepared, approved and distributed by Macquarie Capital Markets Canada Ltd, a participating organisation of the Toronto Stock Exchange, TSX Venture Exchange & Montréal Exchange. Macquarie Capital Markets North America Ltd., which is a registered broker-dealer and member of FINRA, accepts responsibility for the contents of reports issued by Macquarie Capital Markets Canada Ltd in the United States and to US persons and any person wishing to effect transactions in the securities described in the reports issued by Macquarie Capital Markets Canada Ltd should do so with Macquarie Capital Markets North America Ltd. Securities research is issued and distributed by Macquarie Securities (Australia) Ltd (AFSL No. 238947) in Australia, a participating organisation of the Australian Securities Exchange; Macquarie Securities (NZ) Ltd in New Zealand, a licensed sharebroker and New Zealand Exchange Firm; Macquarie Capital (Europe) Ltd in the United Kingdom, which is authorised and regulated by the Financial Services Authority (No. 193905); Macquarie Capital Securities Ltd in Hong Kong, which is licensed and regulated by the Securities and Futures Commission; Macquarie Capital Securities (Japan) Limited in Japan, a member of the Tokyo Stock Exchange, Inc., Osaka Securities Exchange Co. Ltd, and Jasdqa Securities Exchange, Inc. (Financial Instruments Firm, Kanto Financial Bureau(kinsho) No. 231, a member of Japan securities Dealers Association and Financial Futures Association of Japan); Macquarie First South Securities (Pty) Limited in South Africa, a member of the JSE Limited and in Singapore, Macquarie Capital Securities (Singapore) Pte Ltd (Company Registration Number: 198702912C), a Capital Markets Services licence holder under the Securities and Futures Act to deal in securities and provide custodial services in Singapore. Pursuant to the Financial Advisers (Amendment) Regulations 2005, Macquarie Capital Securities (Singapore) Pte Ltd is exempt from complying with sections 25, 27 and 36 of the Financial Advisers Act. Clients should contact analysts at, and execute transactions through, a Macquarie Group entity in their home jurisdiction unless governing law permits otherwise. Macquarie Capital (USA) Inc., which is a registered broker-dealer and member of FINRA, accepts responsibility for the content of each research report prepared by one of its non-US affiliates when the research report is distributed in the United States by Macquarie Capital (USA) Inc. Macquarie Capital (USA) Inc. affiliate research reports and affiliate employees are not subject to the disclosure requirements of FINRA rules. Any persons receiving this report directly from Macquarie Capital (USA) Inc. and wishing to effect a transaction in any security described herein should do so with Macquarie Capital (USA) Inc. The information contained in this document is confidential. If you are not the intended recipient, you must not disclose or use the information in this document in any way. If you received it in error, please tell us immediately by return e-mail and delete the document. We do not guarantee the integrity of any e-mails or attached files and are not responsible for any changes made to them by any other person. MGL has established and implemented a conflicts policy at group level (which may be revised and updated from time to time) (the "Conflicts Policy") pursuant to regulatory requirements (including the FSA Rules) which sets out how we must seek to identify and manage all material conflicts of interest. Disclosures with respect to the issuers, if any, mentioned in this research are available at www.macquarie.com/research/disclosures. © Macquarie Group

Auckland Tel: (649) 377 6433	Bangkok Tel: (662) 694 7999	Calgary Tel: (1 403) 218 6650	Hong Kong Tel: (852) 2823 3588	Jakarta Tel: (62 21) 515 1818	Johannesburg Tel: (2711) 853 2000	Kuala Lumpur Tel: (60 3) 2059 8833
London Tel: (44 20) 3037 4400	Manila Tel: (63 2) 857 0888	Melbourne Tel: (613) 9635 8139	Montreal Tel: (1 514) 925 2850	Mumbai Tel: (91 22) 6653 3000	Perth Tel: (618) 9224 0888	Seoul Tel: (82 2) 3705 8500
Shanghai Tel: (86 21) 6841 3355	Singapore Tel: (65) 6231 1111	Sydney Tel: (612) 8232 9555	Taipei Tel: (886 2) 2734 7500	Tokyo Tel: (81 3) 3512 7900	Toronto Tel: (1 416) 848 3500	New York Tel: (1 212) 231 2500

Available to clients on the world wide web at www.macquarie.com/research and through Thomson Financial, FactSet, Reuters and Bloomberg.

Asia Research

Head of Equity Research

Stephen O'Sullivan (852) 3922 3566

Automobiles/Auto Parts

Kenneth Yap (Indonesia) (6221) 515 7343
Clive Wiggins (Japan) (813) 3512 7856
Dan Lucas (Japan) (813) 3512 6050
Eunsook Kwak (Korea) (822) 3705 8644
Linda Huang (Taiwan) (8862) 2734 7521

Banks and Non-Bank Financials

Ismael Pili (Asia) (813) 3512 5979
Nick Lord (Asia) (852) 3922 4774
Sarah Wu (China) (852) 3922 4068
Jemmy Huang (Hong Kong, Taiwan) (852) 3922 4762
Seshadri Sen (India) (9122) 6653 3053
Ferry Wong (Indonesia) (6221) 515 7335
Chin Seng Tay (Malaysia, S'pore) (65) 6231 2837
Nadine Javellana (Philippines) (632) 857 0890
Matthew Smith (Taiwan) (8862) 2734 7514
Alastair Macdonald (Thailand) (662) 694 7741

Chemicals/Textiles

Jal Irani (India) (9122) 6653 3040
Christina Lee (Korea) (822) 3705 8670
Sunaina Dhanuka (Malaysia) (603) 2059 8993

Conglomerates

Gary Pinge (Asia) (852) 3922 3557
Leah Jiang (China) (8621) 2412 9020
Kenneth Yap (Indonesia) (6221) 515 7343

Consumer

Mohan Singh (Asia) (852) 3922 1111
Jessie Qian (China, Hong Kong) (852) 3922 3568
Unmesh Sharma (India) (9122) 6653 3042
Toby Williams (Japan) (813) 3512 7392
Heather Kang (Korea) (822) 3705 8677
HongSuk Na (Korea) (822) 3705 8678
Edward Ong (Malaysia) (603) 2059 8982
Alex Pomento (Philippines) (632) 857 0899
Linda Huang (Taiwan) (8862) 2734 7521

Emerging Leaders

Jake Lynch (Asia) (8621) 2412 9007
Minoru Tayama (Japan) (813) 3512 6058
Robert Burghart (Japan) (813) 3512 7853
Heather Kang (Korea) (822) 3705 8677

Industrials

Inderjeetsingh Bhatia (India) (9122) 6653 3166
Christopher Cintavey (Japan) (813) 3512 7432
Janet Lewis (Japan) (813) 3512 7475
Michael Na (Korea) (822) 2095 7222
Sunaina Dhanuka (Malaysia) (603) 2059 8993
David Gambrell (Thailand) (662) 694 7753

Insurance

Mark Kellock (Asia) (852) 3922 3567
Seshadri Sen (Asia) (9122) 6653 3053
Makarim Salman (Japan) (813) 3512 7421

Media

Jessie Qian (China, Hong Kong) (852) 3922 3568
Shubham Majumder (India) (9122) 6653 3049
Prem Jearajasingam (Malaysia) (603) 2059 8989
Alex Pomento (Philippines) (632) 857 0899

Sales

Regional Heads of Sales

Peter Slater (Boston) (1 617) 598 2502
Thomas Renz (Geneva) (41) 22 818 7712
Ajay Bhatia (India) (9122) 6653 3200
Andrew Mouat (India) (9122) 6653 3200
Gino C Rojas (Philippines) (632) 857 0761
Greg Norton-Kidd (New York) (1 212) 231 2527
Luke Sullivan (New York) (1 212) 231 2507
Scot Mackie (New York) (1 212) 231 2848
Sheila Schroeder (San Francisco) (1 415) 835 1235
Giles Heyring (ASEAN) (65) 6231 2888
Angus Kent (Thailand) (662) 694 7601

Oil and Gas

David Johnson (Asia) (852) 3922 4691
Jal Irani (India) (9122) 6653 3040
Polina Diyachkina (Japan) (813) 3512 7886
Christina Lee (Korea) (822) 3705 8670
Edward Ong (Malaysia) (603) 2059 8982
Sunaina Dhanuka (Malaysia) (603) 2059 8993

Pharmaceuticals

Abhishek Singhal (India) (9122) 6653 3052
Naomi Kumagai (Japan) (813) 3512 7474
Christina Lee (Korea) (822) 3705 8670

Property

Matt Nacard (Asia) (852) 3922 4731
Eva Lee (China, Hong Kong) (852) 3922 3573
Chris Cheng (China, Hong Kong) (852) 3922 3581
Unmesh Sharma (India) (9122) 6653 3042
Chang Han Joo (Japan) (813) 3512 7885
Hirosaki Okubo (Japan) (813) 3512 7433
Tuck Yin Soong (Singapore) (65) 6231 2838
Elaine Cheong (Singapore) (65) 6231 2839
Corinne Jian (Taiwan) (8862) 2734 7522
Patti Tomatrichitr (Thailand) (662) 694 7727

Resources / Metals and Mining

Andrew Dale (Asia) (852) 3922 3587
Xiao Li (China) (852) 3922 4626
YeeMan Chin (China) (852) 3922 3562
Rakesh Arora (India) (9122) 6653 3054
Adam Worthington (Indonesia) (65) 6231 2981
Polina Diyachkina (Japan) (813) 3512 7886
Christina Lee (Korea) (822) 3705 8670

Technology

Warren Lau (Asia) (852) 3922 3592
Dohoon Lee (Hong Kong) (852) 3922 1119
Patrick Yau (Hong Kong) (852) 3922 1264
Zona Chen (Hong Kong) (852) 3922 3578
Damian Thong (Japan) (813) 3512 7877
David Gibson (Japan) (813) 3512 7880
George Chang (Japan) (813) 3512 7854
Yukihiko Goto (Japan) (813) 3512 5984
Michael Bang (Korea) (822) 3705 8659
Chia-Lin Lu (Taiwan) (8862) 2734 7526
Daniel Chang (Taiwan) (8862) 2734 7516
James Chiu (Taiwan) (8862) 2734 7517
Nicholas Teo (Taiwan) (8862) 2734 7523

Telecoms

Tim Smart (Asia) (852) 3922 3565
Bin Liu (China) (852) 3922 3634
Shubham Majumder (India) (9122) 6653 3049
Kenneth Yap (Indonesia) (6221) 515 7343
Nathan Ramler (Japan) (813) 3512 7875
Prem Jearajasingam (Malaysia) (603) 2059 8989
Ramakrishna Maruvada (Philippines, Singapore, Thailand) (65) 6231 2842

Transport & Infrastructure

Gary Pinge (Asia) (852) 3922 3557
Anderson Chow (Asia) (852) 3922 4773
Jonathan Windham (Asia) (852) 3922 5417
Wei Sim (China, Hong Kong) (852) 3922 3598
Winnie Guo (China, Hong Kong, Singapore) (852) 3922 4625
Janet Lewis (Japan) (813) 3512 7475
Eunsook Kwak (Korea) (822) 3705 8644
Heather Kang (Korea) (822) 3705 8677
Sunaina Dhanuka (Malaysia) (603) 2059 8993

Regional Heads of Sales cont'd

Michael Newman (Tokyo) (813) 3512 7920
Charles Nelson (UK/Europe) (44) 20 3037 4832
Rob Fabbro (UK/Europe) (44) 20 3037 4865
Nick Ainsworth (Generalist) (852) 3922 2010

Sales Trading

Adam Zaki (Asia) (852) 3922 2002
Mike Keen (Europe) (44) 20 3037 4905
Mona Lee (Hong Kong) (852) 3922 2085
Brendan Rake (India) (9122) 6653 3204
Mario Argyrides (Korea) (822) 3705 8610
Edward Robinson (London) (44) 20 3037 4902

Utilities

Adam Worthington (Asia) (65) 6231 2981
Carol Cao (China, Hong Kong) (852) 3922 4075
Kakutoshi Otori (Japan) (813) 3512 7296
Prem Jearajasingam (Malaysia) (603) 2059 8989
Alex Pomento (Philippines) (632) 857 0899

Commodities

Jim Lennon (4420) 3037 4271
Adam Rowley (4420) 3037 4272
Max Layton (4420) 3037 4273
Bonnie Liu (8621) 2412 9008
Henry Liu (8621) 2412 9005
Rakesh Arora (9122) 6653 3054

Data Services

Andrea Clohessy (Asia) (852) 3922 4076
Eric Yeung (852) 3922 4077

Economics

Bill Belchere (Asia) (852) 3922 4636
Rajeev Malik (ASEAN, India) (65) 6231 2841
Richard Gibbs (Australia) (852) 3922 3935
Paul Cavey (China) (852) 3922 3570
Richard Jerram (Japan) (813) 3512 7855

Quantitative

Martin Emery (Asia) (852) 3922 3582
Viking Kwok (Asia) (852) 3922 4735
George Platt (Australia) (612) 8232 6539
Tsumugi Akiba (Japan) (813) 3512 7560

Strategy/Country

Tim Rocks (Asia) (852) 3922 3585
Daniel McCormack (Asia) (852) 3922 4073
Desh Peramunetilleke (Asia) (852) 3922 3564
Mahesh Kedia (Asia) (852) 3922 3576
Michael Kurtz (China) (8621) 2412 9002
Seshadri Sen (India) (9122) 6653 3053
Ferry Wong (Indonesia) (6221) 515 7335
David Gibson (Japan) (813) 3512 7880
Peter Eadon-Clarke (Japan) (813) 3512 7850
Chris Hunt (Korea) (822) 3705 4970
Prem Jearajasingam (Malaysia) (603) 2059 8989
Edward Ong (Malaysia) (603) 2059 8982
Alex Pomento (Philippines) (632) 857 0899
Tuck Yin Soong (ASEAN, Singapore) (65) 6231 2838
Daniel Chang (Taiwan) (8862) 2734 7516
Alastair Macdonald (Thailand) (662) 694 7741

Find our research at

Macquarie: www.macquarie.com.au/research
Thomson: www.thomson.com/financial
Reuters: www.knowledge.reuters.com
Bloomberg: MAC GO
Factset: <http://www.factset.com/home.aspx>
Email macresearch@macquarie.com for access

Sales Trading cont'd

Matthew Ryan (Singapore) (65) 6231 2888
Robert Rismann (New York) (1 212) 231 2555
Isaac Huang (Taiwan) (8862) 2734 7582
Jon Omori (Tokyo) (813) 3512 7838

Alternative Strategies

Convertibles - Roland Sharman (852) 3922 2095
Depository Receipts - Robert Ansell (852) 3922 2094
Derivatives - Wayne Edelist (852) 3922 2134
Futures - Tim Smith (852) 3922 2113
Structured Products - Andrew Terlich (852) 3922 2013