



Stock Data

Bloomberg Code	:	HH IN
Reuters Code	:	HROH.B0
Mkt Cap	:	37881
1 Year Return (%)	:	77.09
52 W High	:	2094.00
52 W Low	:	1061.00
Avg Volume	:	16557
Price	:	1897
Sensex	:	17445

Standalone (Rs In Crs.)	201003	200903	VAR [%]	200912	200812	VAR [%]
Net Sales	4092.61	3411.84	20.0	3814.42	2874.04	32.7
Other Operating Income	29.71	18.57	60.0	12.61	7.23	0.0
Total Income	4191.81	3474.65	20.6	3881.98	2924.86	32.7
Material Cost	2768.43	2356.52	17.5	2614.61	2021.82	29.3
Other Expenses	642.15	524.81	22.4	551.50	442.45	24.6
Total Expenditure	3410.58	2881.33	18.4	3166.11	2464.27	28.5
EBIDTA	781.23	593.32	31.7	715.87	460.59	55.4
Depreciation	48.66	44.35	9.7	46.89	47.47	-1.2
Interest	-4.47	-9.63	-53.6	-4.59	-8.74	-47.5
Tax	138.23	156.43	-11.6	137.80	121.44	13.5
Net Income	598.81	402.17	48.9	535.77	300.42	78.3
EPS (Unit Curr.)	29.99	20.14	48.9	26.83	15.04	78.4
Equity	39.94	39.94	0.0	39.94	39.94	0.0
EBIDTA%	19.09	17.39		18.77	16.03	
NI %	14.63	11.79		14.05	10.45	

Shareholding Pattern

Promoters	:	54.96
Institutions	:	6.74
Foreign	:	30.06
Public	:	7.77

Analysts

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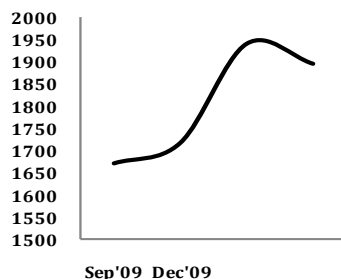
Manoj Jethva

Financial Observations for the quarter ended March 2010:

- Hero Honda has reported net sales of Rs.4092.61crs for the quarter ended Mar'10. Net sales have registered a 20% rise YoY. Growth is largely volume led. Volumes have increased 18.9% YoY while realizations are flat with a 0.9% increase YoY.
- Raw material cost for the quarter has increased 17.5% YoY. Raw material cost as a % of net sales have improved 154bps to 67.16%. Employee expenses are up 22% YoY, but remain stable at 3.5% of net sales. Other expenses are up 22% YoY and are higher by 20bps as a % of net sales. EBIDTA margins for the quarter (excl OI) have improved to 17.3%
- Examining profitability per unit we observe that realizations have improved 0.9% YoY to Rs.34,492. Raw material cost per unit has declined 1.2% to Rs.23,332. Employee expenses have increase 3.2% to Rs.1230 and other expenses are higher by 2.8% at Rs.4182. Total expenditure per unit is lower by 0.5% at Rs.28,744. EBIDTA per unit is 9% higher at Rs.5998.



Price Performance



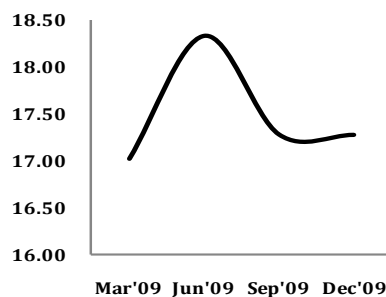
Sales Volumes	201003	200903	VAR [%]	200912	200812	VAR [%]
Motorcycles	1,186,536	997,855	18.9	1,183,235	972,095	21.7
Per Unit	201003	200903	VAR [%]	200912	200812	VAR [%]
Realizations	34492	34192	0.9	32237	29565	9.0
Raw Material Consumed	23332	23616	-1.2	22097	20799	6.2
Employee Expenses	1230	1192	3.2	1159	1188	-2.5
Other Expenses	4182	4067	2.8	3502	3363	4.1
Total Expenditure	28744	28875	-0.5	26758	25350	5.6
EBIDTA	5998	5503	9.0	5586	4290	30.2

Consensus

EPS1011e	:	118.25
EBIDTA%	:	16.99
P/EPS1011e	:	16.04

- Net interest income for the quarter is lower during the quarter by about half at Rs.4.47crs. Depreciation expense is up 9.7% to Rs.48.66crs.
- Profits before tax are 32% higher YoY. However tax expense for the quarter is lower by 11.6% as the tax rate has declined to 18.75% against 28% during the corresponding period of the previous year. Profits after tax are higher 48.9% at Rs.598.81crs.

Trend in OPM



Fund Holdings: no. of shares	Mar2010	Feb2010	% Change
Franklin Templeton Mutual Fund	1064695	1514089	-29.68
HDFC Mutual Fund	820066	524815	56.26
UTI Mutual Fund	810953	527393	53.77
Morgan Stanley Mutual Fund	278939	398785	-30.05
HSBC Mutual Fund	226115	226599	-0.21



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