

Automobiles

Pre-budget buying helps sustain the momentum

Automobile monthly sales: February '10

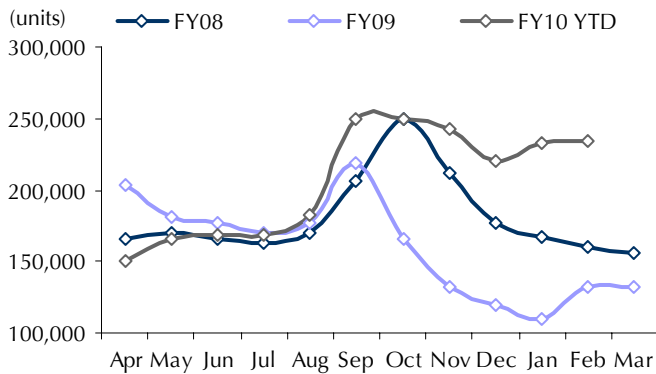
	Feb -10	Feb-09	% YoY	Jan-10	% MoM	% YTD	Comments
Bajaj Auto							
Motorcycles	234,623	131,785	78.0	232,939	0.7	27	❖ In line with expectations
Total 2-Wheelers	234,710	132,393	77.3	233,049	0.7	27	❖ Pulsar sales at ~65,000 units
3-Wheelers	33,968	21,389	58.8	32,969	3.0	23	❖ Discover sales at ~90,000 units
Tot. 2&3-wheelers	268,678	153,782	74.7	266,018	1.0	26	❖ Exports up 53% YoY
Hero Honda							
Total Sales	382,096	329,055	16.1	389,802	(2.0)	20	❖ In line with expectations
							❖ Pleasure sales cross 20,000 units
M&M							
Utility Vehicles	18,280	14,720	24.2	20,332	(10.1)	45	
3-w/GIO/Maxximo	6,907	3,415	102.3	7,300	(5.4)	23	❖ Meets expectations
Logan	537	1,008	(46.7)	555	(3.2)	(60)	❖ Strong response to GIO/Maxximo
LCV	856	451	89.8	801	6.9	13	❖ UV growth continues to be higher than industry average
Tractors	13,920	8,879	56.8	15,925	(12.6)	31*	
Exports (AS + FES)	1,314	544	141.5	2,115	(37.9)	3	
Total Sales	41,814	29,017	44.1	47,028	(11.1)	31	
Maruti							
Domestic	84,765	70,625	20.0	81,087	4.5	22	❖ In line with expectations
Export	11,885	8,565	38.8	14,562	(18.4)	127	❖ Highest ever monthly sales on strong domestic growth
Total Sales	96,650	79,190	22.0	95,649	1.0	31	❖ A-stars recalled on technical glitch
Tata Motors							
M&HCV	18,183	9,505	91.3	16,666	9.1	32	❖ Marginally better than expectations
LCV	23,314	14,989	55.5	22,003	6.0	38	❖ Highest ever CV sales
Utility Vehicles	4,048	3,529	14.7	3,621	11.8	(13)	❖ Highest ever monthly PV sales; Indica, Indigo remain strong
Cars	23,604	15,788	49.5	23,188	1.8	23	❖ Sales of the Nano at 4,105 units
Total	69,149	43,811	57.8	65,478	5.6	28	
TVS Motor							
Motorcycles	63,394	49,659	27.7	54,698	15.9	(1)	❖ Better than expectations
Scooters	27,017	19,532	38.3	25,509	5.9	24	❖ Jive introduced in Tamil Nadu and Andhra Pradesh; pan-India launch in March '10
Mopeds	50,133	38,110	31.5	45,371	10.5	31	❖ Three-wheeler sales at 2,132 units
Total 2-Wheelers	140,544	107,301	31.0	125,578	11.9	14	
Grand Total	998,931	742,156	34.6	989,553	0.9		

Source: Company, RHH | * Adj. for PTL merger



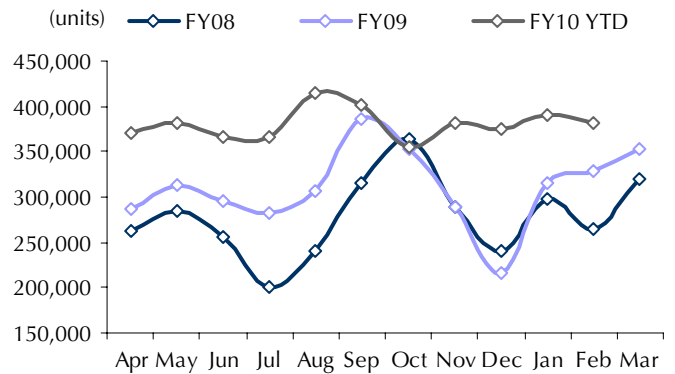


Fig 1 - Bajaj Auto monthly sales trend



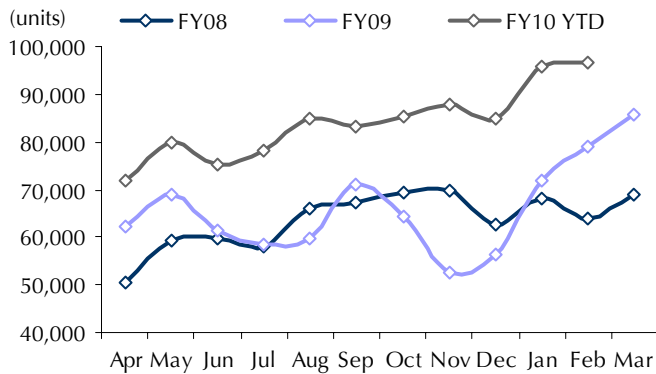
Source: SIAM, RHH

Fig 2 - Hero Honda monthly sales trend



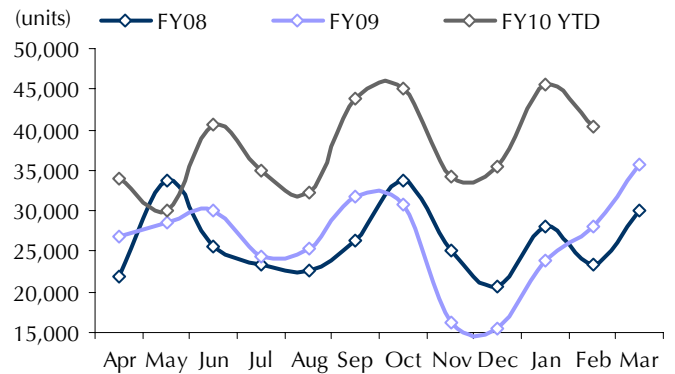
Source: SIAM, RHH

Fig 3 - Maruti Suzuki monthly sales trend



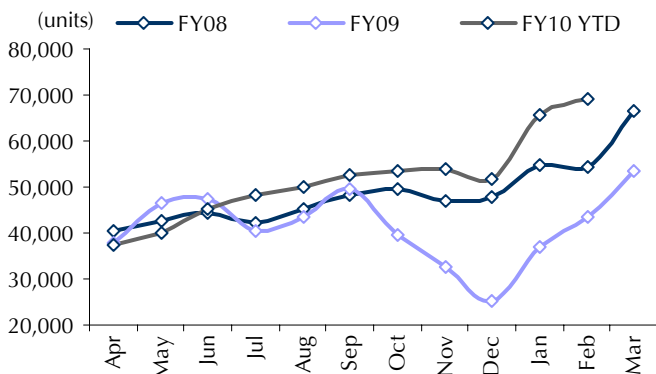
Source: SIAM, RHH

Fig 4 - Mahindra & Mahindra monthly sales trend



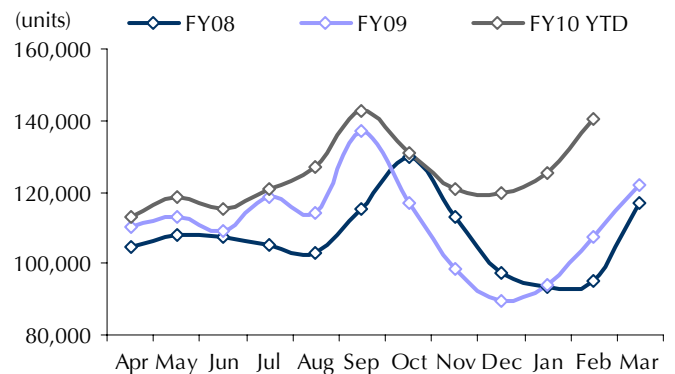
Source: SIAM, RHH | * Includes PTL volumes post merger

Fig 5 - Tata Motors monthly sales trend



Source: SIAM, RHH

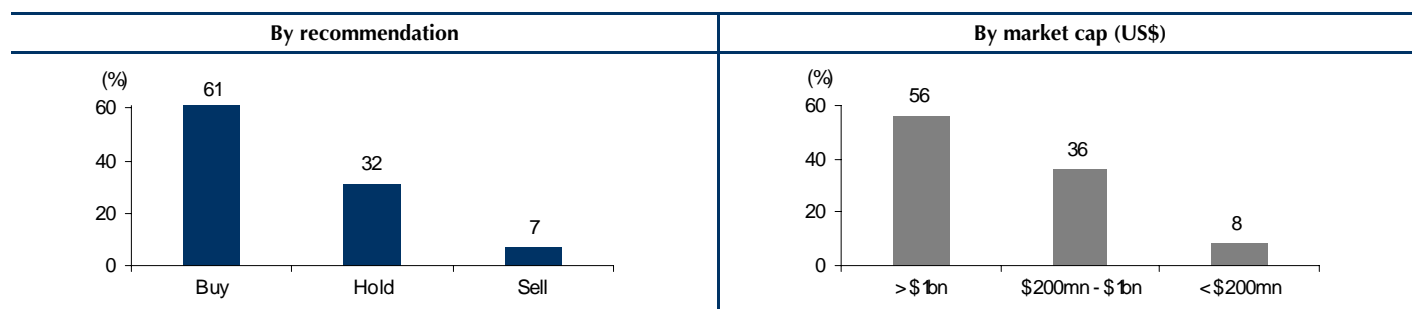
Fig 6 - TVS Motors monthly sales trend



Source: SIAM, RHH



Coverage Profile



Recommendation interpretation

Recommendation	Expected absolute returns (%) over 12 months
Buy	More than 15%
Hold	Between 15% and -5%
Sell	Less than -5%

Recommendation structure changed with effect from March 1, 2009

Expected absolute returns are based on share price at market close unless otherwise stated. Stock recommendations are based on absolute upside (downside) and have a 12-month horizon. Our target price represents the fair value of the stock based upon the analyst's discretion. We note that future price fluctuations could lead to a temporary mismatch between upside/downside for a stock and our recommendation.

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