

Tata Motors

Apr'07 Unit Sales - Sales growth led by passenger cars & LCV's - ALERT

- TAMO reported moderate unit sales growth of 11% yoy for April. Overall, local sales grew 10% yoy while exports were up 13% yoy.
- Though sales growth was positive, the mix was skewed in favor of low value LCV's and passenger cars.
- After posting robust sales growth in FY07, the heavy commercial vehicle segment sales declined in April (-11% yoy). The rising interest rates and high base effect of last year have led to the decline. (Sales had shot up in April 06 as the ban on overloading was implemented across the country).
- Tata Motor's management has also been sounding caution on CV sales growth rates for the year ahead. The transport industry is currently adopting a wait and watch policy - though demand continues from the manufacturing sector, operators are adopting a cautious approach ahead of making fresh purchases.
- LCV sales grew 23% yoy led by the Tata Ace. This segment has helped partially offset the decline in the heavy segment.
- Passenger car sales increased 19% yoy while UV sales grew 37% yoy. Strong sales growth for passenger cars was aided by muted sales in April last year. UV sales have been faring well on the back of new variants and price cuts.
- Exports grew 13% yoy, with CV exports rising sharply (HCV's +57% & LCV's +27%). However, passenger cars continued their weak trend (-11% yoy).
- Over the month TAMO performed in line with the market. The stock was up 12% in April - inline with the return for the broad market.

Overweight

Rs750.50

30 April 2007

Automobile Manufacture

Bharat Iyer^{AC}

(91-22) 6639-3005

bharat.x.iyer@jpmorgan.com

Aditya Makharia

(91-22) 6639-3006

aditya.s.makharia@jpmchase.com

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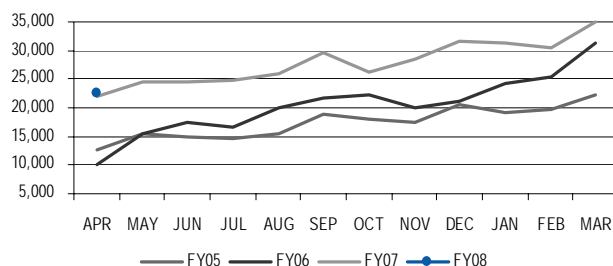
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Table 1: Tata Motors Unit Sales

	Apr 07	Apr 06	%YoY	Mar 07	%MoM	FY08YTD	FY07 YTD	% YTD
HCV's	11,271	12,676	-11	19,083	-41	11,271	12,676	-11
LCV's	11,304	9,196	23	15,995	-29	11,304	9,196	23
Cars	14,514	12,222	19	21,474	-32	14,514	12,222	19
UV's	3,397	2,480	37	6,227	-45	3,397	2,480	37
Total Sales	40,486	36,574	11	62,779	-36	40,486	36,574	11
M&HCV -exports	879	559	57	1,410	-38	879	559	57
LCV -exports	2,089	1,639	27	2,948	-29	2,089	1,639	27
Cars -exports	1,012	1,142	-11	1,823	-44	1,012	1,142	-11
UV's -exports	57	232	-75	118	-52	57	232	-75
Exports	4,037	3,572	13	6,299	-36	4,037	3,572	13
M&HCV -domestic	10,392	12,117	-14	17,673	-41	10,392	12,117	-14
LCV -domestic	9,215	7,557	22	13,047	-29	9,215	7,557	22
Cars -domestic	13,502	11,080	22	19,651	-31	13,502	11,080	22
UV's -domestic	3,340	2,248	49	6,109	-45	3,340	2,248	49
Domestic	36,449	33,002	10	56,480	-35	36,449	33,002	10

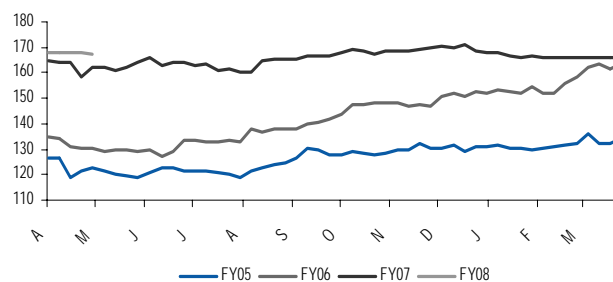
Source: Company

Figure 1: Tata Motors CV Sales (In Unit Nos)



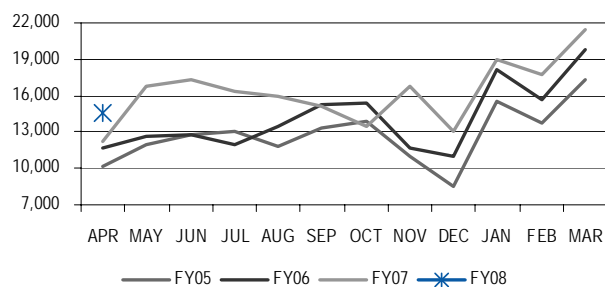
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Figure 2: Weekly Freight Index



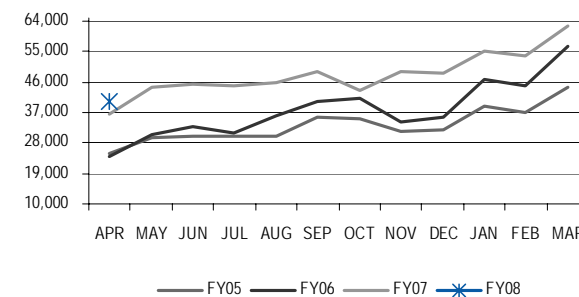
Source: Transport Corporation of India

Figure 3: Tata Motors Car Sales (In Unit Nos)



Source: Company

Figure 4: Tata Motors Total Sales (In Unit Nos)



Source: Company

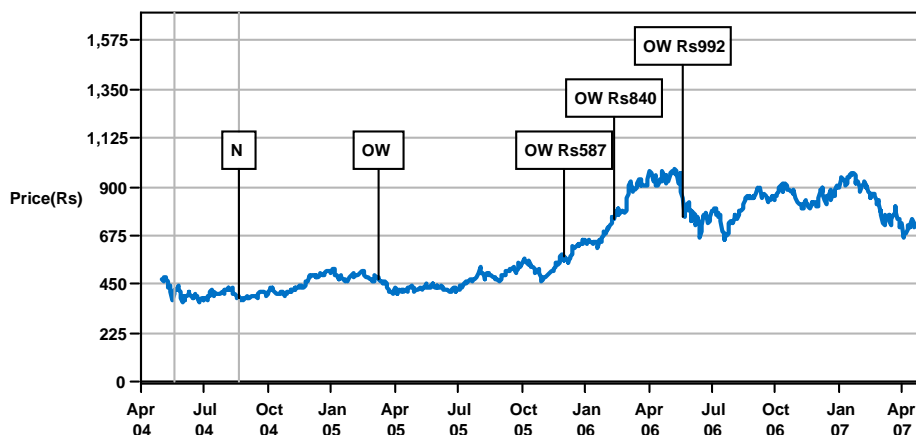
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Tata Motors (TAMO.BO) Price Chart



Date	Rating	Share Price (Rs)	Price Target (Rs)
19-Aug-04	N	385.85	--
10-Mar-05	OW	468.00	--
30-Nov-05	OW	575.20	587.00
10-Feb-06	OW	750.95	840.00
21-May-06	OW	761.95	992.00

Source: Reuters and JPMorgan; price data adjusted for stock splits and dividends.
 Break in coverage May 19, 2004 - Aug 19, 2004. This chart shows JPMorgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
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Bharat Iyer
(91-22) 6639-3005
bharat.x.iyer@jpmorgan.com

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