

## JLR's US retail volumes up 20% y-y in Sep-12

### Quick Note

JLR's retail sales volume in the US increased by 20% YoY in Sep-12. Note that Sep retail sales data include 559 units (700 units in Aug-12) of the Evoque. Sales of older models (ex-Evoque) were up by around 6% yoy. We are building in flat volumes for models ex-Evoque in the US for JLR in FY13F as compared to around a 3% decline in volumes so far (FYTD- Apr-Sep).

In Sep-12, Audi sales were up 27% yoy, BMW sales were flat yoy and Mercedes sales were up 7% yoy. Total US market sales including all vehicle types increased by 13% yoy.

The wt. average marketing and promotional spend for JLR increased by 5% mom; incentives declined by 5% MoM at Jaguar and increased by 16% MoM at Land Rover.

We don't expect the stock to react significantly on these numbers.

Fig. 1: US retail sales in Sep-12

	Sep-12	Sep-11	YoY	FYTD13	FYTD12	YoY
Land Rover	3,636	2,740	32.7	21,015	17,383	20.9
Jaguar	1,004	1,111	(9.6)	6,222	6,814	(8.7)
JLR	4,640	3,851	20.5	27,237	24,197	12.6
<b>Other key luxury OEMs</b>						
	Sep-12	Sep-11	YoY	FYTD13	FYTD12	YoY
BMW	21,761	21,750	0.1	124,848	125,063	(0.2)
Audi	12,302	9,725	26.5	71,224	59,688	19.3
Mercedes	24,950	23,428	6.5	142,394	126,515	12.6
Total Industry	1,188,865	1,053,722	12.8	7,564,224	6,452,014	17.2

Source: AutoData Corp USA, Nomura research

October 3, 2012

**Rating**  
Remains **Neutral**

**Target price**  
Remains INR 261

**Closing price**  
October 1, 2012 INR 275

#### Research analysts

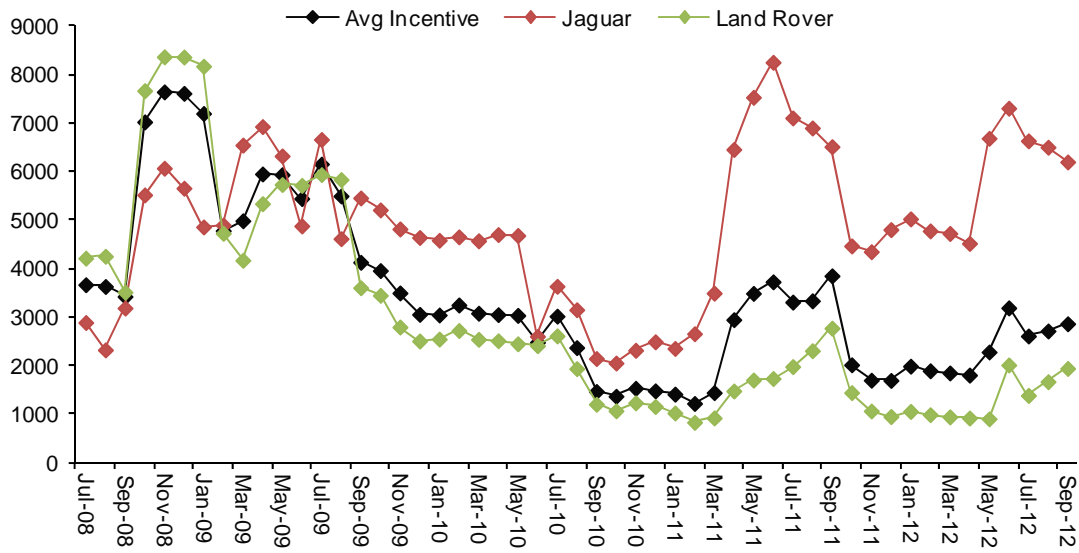
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See Appendix A-1 for analyst certification, important disclosures and the status of non-US analysts.

Fig. 2: JLR - Incentives in USA (USD/per vehicle)



Source: AutoData Corp USA, Nomura research

# Appendix A-1

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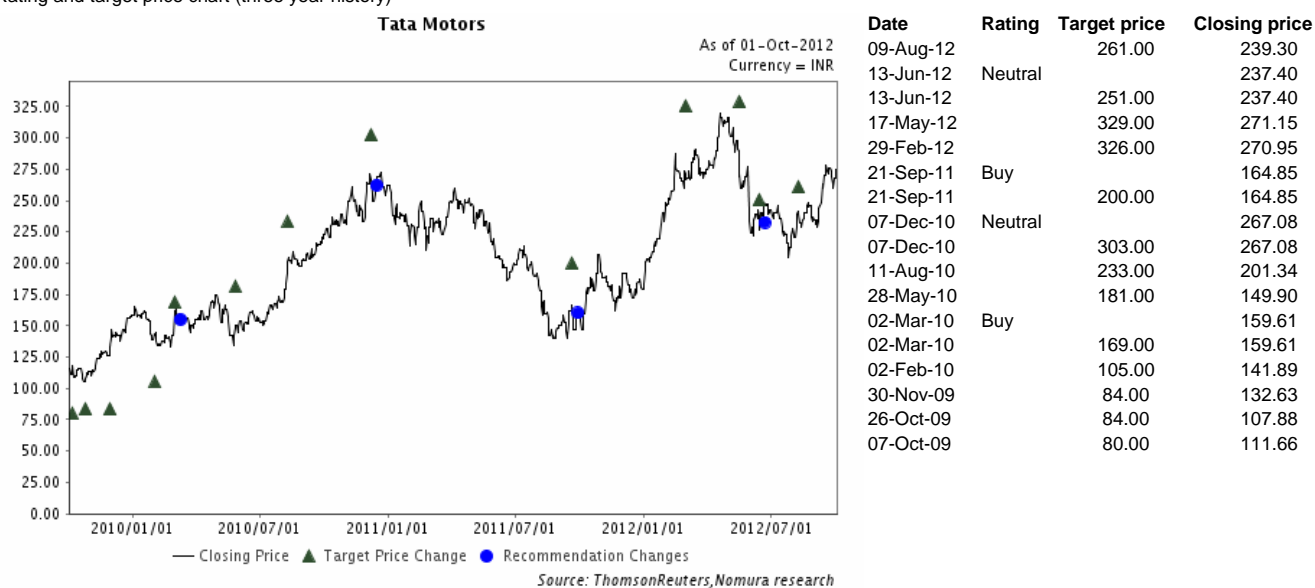
Issuer name	Ticker	Price	Price date	Stock rating	Sector rating	Disclosures
Tata Motors	TTMT IN	INR 275	01-Oct-2012	Neutral	Not rated	

## Previous Rating

Issuer name	Previous Rating	Date of change
Tata Motors	Buy	13-Jun-2012

### Tata Motors (TTMT IN) INR 275 (01-Oct-2012) Neutral (Sector rating: Not rated)

Rating and target price chart (three year history)



For explanation of ratings refer to the stock rating keys located after chart(s)

**Valuation Methodology** Our 12-month target price of INR261 for Tata Motors is based on a sum-of-the-parts methodology. We value the standalone business at INR63.5/sh, based on 7.0x FY14F standalone EBITDA of INR48,416mn. We value JLR at INR171.1/sh, based on 3.0x FY14F normalised EBITDA of INR175,752mn. We value other investments at INR26.4/sh.

**Risks that may impede the achievement of the target price** Downside risks include 1) global growth slowdown; 2) slower-than-expected growth in China; and 3) sharper-than-expected slowdown in MHCV industry volumes. Upside risks include 1) success of new launches and 2) favourable currency movements.

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