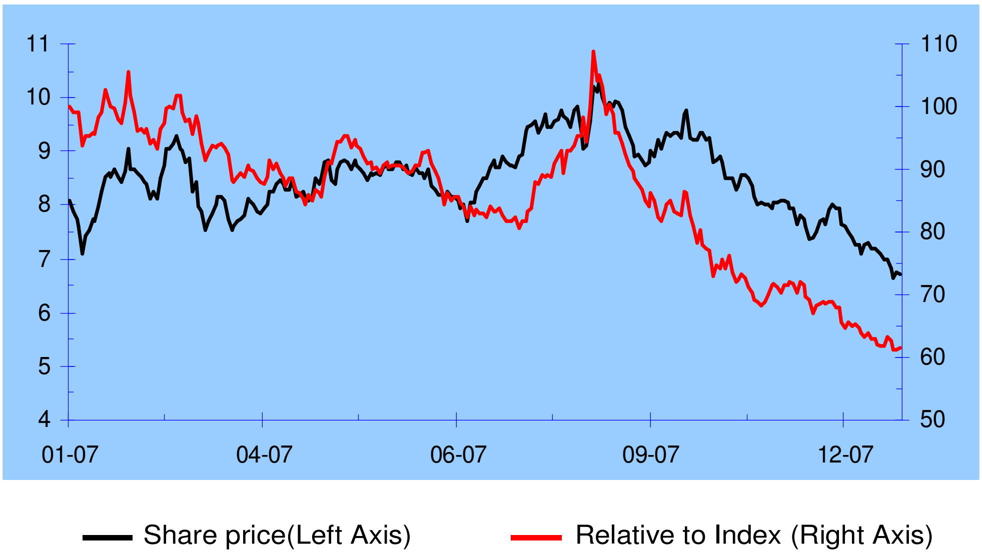
Equity

AKCANSA CEMENT — BUY
AKCNS — 11.01.2008

(TRY mn)	2007/09	2006/09	%	2007Q3	2006Q3	%
Net Sales	534	425	26%	193	169	14%
EBITDA	193	164	18%	76	68	13%
Net Income	165	134	23%	63	47	35%
Net Cash Position	(186)	112				



Price (YTL)	6,4
ISE 100	51.920

(TRY mn/US$ mn)	
Mcap	1234 / 1075
Target Mcap	1666 / 1451
Upside Potential	35%

(TRY mn)	2008E	2007E
EV/Sales	2,05	2,29
EV/EBITDA	6,2	6,36
P/E	6,97	7,69

* Akcansa to put Canakkale plant into service in the beginning of 2008. Canakkale plant has 2 million clinker capacity/tonnes.

* Company has achieved 40% EBITDA Margin in 3rd quarter of 2007.

* Cement prices could decline in 2008 due to new capacity increases and decrease in demand. On the other hand, dropping interest rates would stimulate demand for mortgage loans which might increase new housing need. Furthermore, high demand and high cement prices in Russia prevent further decline of both export and domestic prices.

* We expect TRY 750 mn in sales, and TRY 248 mn EBITDA with 33% margin.

* We cogitate that the slowndown in construction sector is already in the prices.

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