

STOCK TRADERS PRESS

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Long-Term Report

August 14, 2003

Strong Buy

InfoSpace, Inc, (Nasdaq) INSP \$ 14.09

Company Data

52-Week Range	\$3.75-\$16.89
Market Cap	\$438.4M
Shares Outstanding	31.2M
Book Value	\$13.91
Price/Book	1.01
Average Daily Vol.	380K
Target Price	\$20.00
Target Percentage	42%



InfoSpace, Inc. provides wireless and Internet software and application services both nationally and internationally. The company provides its services across multiple platforms which include personal computers, PDA's and cell phones. Additionally, **InfoSpace, Inc** provides services to merchant (bill paying) and financial institutions.

We consider **InfoSpace, Inc.** as an attractive participant in the fast growing Internet services area for the following reasons:

- The company continues to register revenue growth of 15% or better, as it expands its business services particularly in the merchant sector.
- The capital needs of the company are small. Consequently, **InfoSpace, Inc.** continues to reflect strong net positive cash flow. During the second quarter ended June 30, 2003, the company added \$13 million to cash. As of June 30, 2003, **InfoSpace, Inc.** had cash and equivalents of \$301 million or \$9.70 per share. **The company has no debt.**
- **The company reported a net loss of \$0.48 per share, which included non-recurring charges of \$0.57 per share. Thus, the company had an operating profit of about \$0.09 per share.**
- At the present time InfoSpace, Inc. has a book value of \$13.90 per share and cash per share of \$9.70 per share.

We believe InfoSpace, Inc, is an undervalued stock, which is selling slightly above book value. Given the sizeable cash on the company's books and its minimal capital expenditure, it would not surprise us that the company would institute a dividend.

We recommend InfoSpace, Inc. at its current price of \$14.09 per share and establish a target price of \$19.00-\$20.00 per share.

“You Must learn from your past mistakes, but not lean on your past successes”

