

STOCK TRADERS PRESS

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Short-Term Report July 8, 2003

Strong Buy

WebEx Communication, Inc. (NASD) WebEx \$ 15.80

Company Data

52-Week Range	\$7.53-\$21.00
Market Cap	\$618.1M
Shares Outstanding	41.2M
Book Value	\$2.32
Price/Book	\$6.47
Average Daily Vol.	6.84M
Target Price	\$21.00
Target Percentage	69%



WebEx Communications, Inc. is the major provider of real-time, interactive business communications services on the Web sites of its customers. These services allow the customers of the **WebEx** to conduct meetings as well as share documents, presentations and a broad line of content on the Internet. Since our initial recommendation on April 15th, 2003, the stock of WebEx has risen over 50% to the \$16.00 per share level. Despite this rise in the stock price, we continue to recommend WebEx as our attractive growth company and **have raised our target price from \$17 per share to \$21 per share.**

We are attracted to WebEx for the following reasons:

- As the **largest provider of interactive multimedia services**, the company has garnered an enviable list of customers. As of year-end 2002, **WebEx** has over 7000 companies subscribing to its services, which is up about 40% (plus 2000 companies) from year-end 2001 levels. More importantly the number of subscribing ports was over 92,000 up almost 50% from year-end 2001. An individual subscribing company normally will have more than 5 subscribing ports.
- The Company continues to expand its services on a global basis with the initiation of Asia and India. Additionally, WebEx has broaden its domestic reach by recently obtaining service contracts with YAHOO, Bell South, Verizon and from Apple Inc.
- From a financial viewpoint, the company has a strong balance sheet with cash of over \$1.60 per share (over \$65 million) and an extremely small amount of debt. Additionally, WEBEX has grown revenues from 25 million to 140 million in the past 3 years.
- We consider **WebEx** an attractive investment with a service very much in demand by the business community. **Our new target price is \$21.00 per share.**

Quote – What a person believes is not as important as how a person believes – Timothy Virkkala

Strong Buy
King Pharmaceutical (NYSE) KG \$ 15.55

Company Data

52-Week Range	\$9.46-\$21.62
Market Cap	\$3.72B
Shares Outstanding	240.9M
Book Value	\$8.22
Price/Book	1.88
Average Daily Vol.	\$2.33M
Dividend/Yield	None
Target Price	\$21.00
Target Percentage	35.0%
Stop Price	\$12.00



King Pharmaceutical is a small, integrated pharmaceutical company that develops, manufactures and markets primarily branded prescription drugs. The company also has a generic drug capability. Since mid-April, shares of KG have performed quite well. We strongly recommend the purchase of King as an extremely undervalued drug company.

We are attracted to King Pharmaceutical for the following reasons:

- **King Pharmaceutical has demonstrated successfully its ability to purchase from the major drug companies relatively small drug licenses at very attractive prices.** Once acquired, King will develop these drugs at a healthy profit.
- The recent acquisition of two major drugs from Élan Corp. further broadens the company's product line and is expected to add \$.10 - \$.15 per share in earnings.
- The recent move by the U.S. Government to increase the usage of generic drugs for the Medicare Program is a major plus for the company.
- At the present time, the stock is selling at \$15 per share, which is 9 times estimated earnings of \$1.85 per share. Additionally, the company has a book value of \$8.22 per share and cash per share of \$2.65. We believe these are very conservative valuations.
- **We consider King Pharmaceutical an undervalued drug company, which has a unique niche within the industry. Our target price is \$21.00 per share.**

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