

STOCK TRADERS PRESS

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Short-Term Report

August 26, 2003

Strong Buy

InfoSpace, Inc, (Nasdaq) INSP \$ 15.73

Company Data

52-Week Range	\$3.75-\$16.07
Market Cap	\$502.6M
Shares Outstanding	31.3M
Book Value	\$13.83
Price/Book	1.16
Average Daily Vol.	329.9K
Target Price	\$24.00
Target Percentage	52%



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 continue to recommend Infospace Inc. as an undervalued Internet services company. Since our initial recommendation at \$14.09 on August 14, the stock has risen over 10%.

- 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.**
- Recently, the company was awarded a judgment of \$247 million against its former CEO for securities violation. While this may eventually accrue to Infospace after all appeals are exhausted, our recommendation is not based upon this event. Naturally, this could be a significant positive in the future since it would add over \$7.00 per share in cash to its existing cash of almost \$10 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.**

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 are increasing our target price from \$20 per share to \$24.00 per share.

Dynegy (Nasdaq) DYN \$ 3.12

Company Data

52-Week Range	\$0.60-\$3.10
Market Cap	\$1.6B
Shares Outstanding	374.6M
Book Value	\$9.20
Price/Book	0.34
Average Daily Vol.	5.89M
Target Price	\$9-10.00
Target Percentage	225%



While we are frustrated with the performance of the stock of Dynegy over the past several weeks, the progress of the company continues to be positive.

We continue to recommend Dynegy as an attractive turnaround for the following reasons:

- Earlier in August, the completed its financial restructuring which resulted in a reduction of \$650 million.
- The recent Northeast blackout will most likely result in a higher allowable rate of return on the transmission lines owned by Illinois Power (a Dynegy subsidiary).
- Last week the company announced a major power supply contract with the second largest electrical cooperative.
- Continued strong natural gas prices will assure good profits from this sector of Dynegy.
- Dynegy has book value of \$9.20 per share.

We maintain our target price of \$9-\$10 per share.

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

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