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INSIDE WALL STREET by Gene Marcial

A Net Stock Rises from the Ashes

Only the stout-hearted might want to touch shares of **24/7 Real Media** (TFSM), whose stock collapsed from a high of 64 in January, 1999, to 9 cents on Sept. 21, 2001. It has since bounced to 1.81 on July 16, 2003 -- thanks to the run up in tech and Internet stocks.

The company is still an effective marketing outfit that helps advertisers target consumers online, says Jonathan Cohen, head of JHC Capital Management, which owns shares. And it's starting to benefit from the online advertising boom. Its Web Alliance network aggregates and sells ads of hundreds of smaller sites unable to pay their own sales forces. Cohen notes that while about 80% to 90% of Web traffic is handled by major portals such as AOL, Yahoo!, and Microsoft, scores of other sites with strong daily traffic are too small to hire sales reps. So they outsource the function to 24/7 Real Media. Over time, he sees the share of Web traffic among top portals falling in favor of niche sites. Cohen figures 24/7 will turn a profit in 2003 on revenues of \$45 million to \$50 million. Last year, it lost 23 cents a share on \$42.5 million.

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