

Title: Jacksonville, Fla.-Based Stocks End Up with Mixed Year.

Date: 1/2/2002; **Publication:** Knight Ridder/Tribune Business News;

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Jan. 2--In a generally lackluster year for stocks, 2001 was a time to go bottom-fishing.

The top three performing stocks among Jacksonville-based companies all hit bottom in late 2000. That gave investors a great chance to get them on the rebound in 2001 and make some money.

MPS Group Inc., formerly known as Modis Professional Services Inc., PSS World Medical Inc. and FPIC Insurance Group Inc. have all followed a somewhat similar path. They all went public in the 1990s and all rose spectacularly in their early years as public companies. But then they hit bumps in the road in the last few years and the stocks fell.

All three companies, while not familiar names to investors in much of the country, are still well thought of by many stock analysts. So they caught the attention of investors looking for bargains in a difficult market.

"Typically, these are the companies that rally the most when the market changes," said Jack Ablin, chief investment officer at Harris Private Bank.

Those three stocks led the pack, but they weren't the only Jacksonville companies to do well in 2001. Armor Holdings Inc., which benefited from a post-Sept. 11 interest in its security products and services, and Florida Rock Industries Inc., which continues to see strong demand for its construction aggregates despite a weakening economy, also had big returns in 2001.

So in another bad year for the overall market, Jacksonville stocks did relatively well. The Bloomberg Jacksonville index of 50 companies based in or with major operations in the Jacksonville area actually rose 3.8 percent last year, while the Dow Jones industrial average fell 7.1 percent and the Standard & Poor's 500 index dropped 13 percent.

MPS turned in the best performance of the Jacksonville companies in 2001 as its stock rose 73 percent. But the stock had to hit the bottom before coming back up.

MPS, then known as Modis, fell as low as \$3.38 in November 2000 after a plan to split the company into three was called off. The split would have created separate public companies for MPS' professional staffing services, information technology consulting and e-business consulting divisions.

But the collapse of the technology stock market in 2000 forced the company to call off those plans. So investors were uncertain about the company's future a year ago, but they regained some confidence in the stock in late 2001.

"The clouds were pretty dark for Modis at the beginning of the year and it partially cleared up," Ablin said.

But longtime MPS stockholders are probably not satisfied. The 2001 closing price of \$7.14 is still far below the company's April 1998 peak of \$36.06.

The same can be said for PSS and FPIC shareholders. While PSS rose 63 percent to \$8.16 in 2001, it still has a way to go to reach its 1996 peak of \$33.75. FPIC, which rose 62 percent to \$14.90 last year, reached as high as \$50.88 in 1999.

On the other hand, Armor Holdings and Florida Rock shareholders not only saw strong gains in 2001, they also saw the stocks hit record highs.

Armor, which makes security products such as bulletproof vests and provides security consulting services around the world, was actually down 18 percent for the year through Sept. 10. But after the Sept. 11 terrorist attacks, Armor became a highly touted stock on Wall Street.

"We believe Armor Holdings is well-positioned to capitalize on the renewed focus on U.S. homeland defense, personal security and higher military spending trends," said a report last month by Wachovia Securities analyst Sam J. Pearlstein, as he initiated coverage of the stock.

In the last three months, three new analysts initiated coverage on Armor with "buy" ratings as defense analysts looked at companies that will benefit from increased security spending.

"They're all looking to broaden their coverage to take in this area of homeland security," said Armor chief executive officer Jonathan Spiller.

Armor rose 55 percent for the year and reached a record high of \$27.60 three weeks ago.

Florida Rock rose 40 percent and hit its record high of \$38.78 last week.

Florida Rock is defying the overall downturn in the economy. The company, which produces concrete and cement products, would be hurt by an expected downturn in construction activity. But an emphasis on rebuilding crumbling highways is keeping demand high for its products, said Ben Bishop, president of Allen C. Ewing & Co. in Jacksonville.

"Florida Rock is going to play a major role in that," Bishop said.

Florida Rock chief executive officer John D. Baker II said the company has been particularly helped by highway construction in Florida, where the state is expected to spend \$2.2 billion on new construction in this fiscal year, up from \$1.2 billion last year. Florida accounts for 55 percent of Florida Rock's business, Baker said.

"We continue to do well. We're surprised at the strength of the economy," he said.

Six other Jacksonville companies gained more than 20 percent last year. Bishop, who specializes in bank stocks, is impressed with CNB Florida Bancshares Inc., which moved its headquarters from Lake City to Jacksonville last year and is growing.

Jacksonville was known as a banking center several years ago, but the large locally based banks, such as Barnett Banks Inc., have all been acquired by bigger regional companies. So Jacksonville has lacked a significant bank headquarters.

"CNB is stepping into that vacuum," Bishop said.

Ablin has his eye on forest products company Rayonier Inc. The company's large timber holdings were spotlighted last month in Barron's newspaper, which speculated that Rayonier may increase shareholder value by spinning off the timberlands into a separate company.

At the other end of the market, the market still looks weak for technology stocks, at least in the short term. Not counting stocks trading at \$1 a share or below, the worst performer among Jacksonville companies in 2001 was ParkerVision Inc., which fell 43 percent.

ParkerVision develops automated audio products and wireless radio technology. While the company has expressed optimism about the potential of its technology, the company has lost money every year since it went public in 1993.

Another company hurt by technology last year was Florida East Coast Industries Inc., which fell 35 percent. That may sound strange, since Florida East Coast is mainly known as a railroad. But the company last year spent a lot of money developing a fiber-optics communication network running on lines along its railroad and into other areas of the Southeast.

However, Florida East Coast has been losing money on its fiber-optics business and announced in November that it was scaling back expansion plans for that unit.

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