

# N.H. stocks decline in first quarter of 2005

**NHBR/CHARTWORTH STOCK**

**By Howard Smith**

In line with the old saying, "What goes up must come down," the *New Hampshire Business Review/Chartworth Stock Index* fell 5.6 percent in the first quarter of 2005, erasing part of the strong finish it registered at the end of 2004.

The *NHBR/Chartworth Index* outperformed the Nasdaq – which registered a decline of 8.1 percent in the same period — and fell short of the S&P 500 Index's performance – which dropped 2.6 percent.

Not too bad, but the real story is that 21 out of 27 New Hampshire-based stocks posted either declines or no change at all.

To be included in the *NHBR/Chartworth Index*, a company must have its primary office and headquarters in the state and have recent regulatory filings and price quotes. There are currently 27 companies conducting business in New Hampshire that meet these criteria, and five other New Hampshire-based public companies that either have not filed recently or recent price quotes are not available.

During the quarter, the index lost one company but gained two. Element 21 Golf Company, a development-stage company engaged in the development of scandium alloy golf clubs, was removed from the index after announcing that it had moved its headquarters to Toronto from Manchester. The two companies added to the Index were Community Bank & Trust (CBNH) and Brazilian Resources (BZIH).

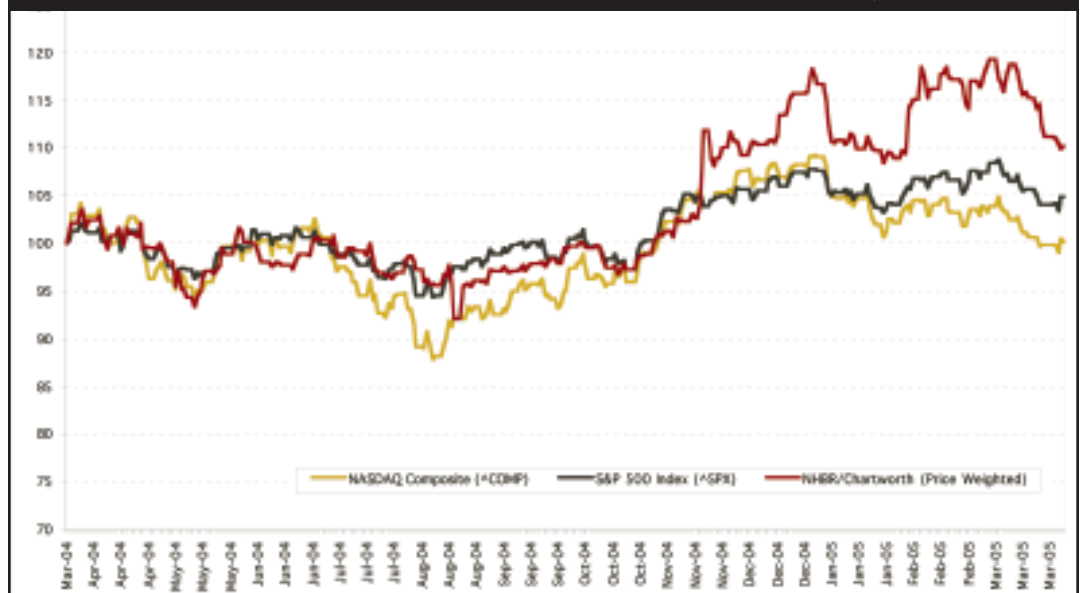
CBNH operates as a chartered commercial bank in New Hampshire. It offers its products and services through third party contractual arrangements in Derry, Exeter, Hampton, Melvin Village, Nashua, Plaistow and Wolfeboro. Community Bank & Trust was founded in 1990 and is based in Wolfeboro.

Brazilian Resources Inc., a development-stage company, engages in financing and developing resource and infrastructure development projects in Brazil. The company owns approximately 4.8 million shares of Jaguar Mining Inc., a producing gold company. The company was incorporated in November 1990 and has its main office in Concord.

The company's stock trades on the Canadian TSX Venture Exchange.

In terms of performance, Timberland (TBL) posted an outstanding quarter, moving up 13 percent. For the trailing 12 months it is up a solid 19.31 percent. On Feb. 9, TBL reported record fourth-quarter net income of \$45 million, compared with fourth-quarter 2003 net income of \$39.5 million.

**NHBR/Chartworth NH Stock Index as of March 31, 2005**



Timberland's record results capped a year of outstanding performance for the company, with double-digit revenue gains, significant improvement in operating margin and strong cash flow generation.

In terms of industry performance, bank stocks led the pack as investors fled to defensive stocks. Northway Financial (NWF), CBNH and NH Thrift Bancshares (NHTB) all posted gains for the quarter. BayCorp ranked second in terms of performance, posting a 6 percent return for the quarter. Its subsidiaries, Great Bay Power Marketing Inc. and Great Bay Hydro Corporation, generate and sell electricity.

Monadnock Community Bancorp, after posting a solid 47.6 percent return following its successful IPO last year, fell 13.76 percent as the stock corrected.

In the tech sector, PC Connection (PCCC) posted a quarterly decline of 38.3 percent. On March 30, the company – something of a bellwether for New Hampshire tech stocks in general — issued downward revised revenues and earnings guidance for the first quarter of 2005. This announcement came on the heels of a down Q4 2004 compared to Q4 2003 announcement on Jan. 27. Most of the companies in the New Hampshire tech sector posted declines for the quarter, and this softness is consistent with many of the tech companies our firm consults with. **NBR**

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