

# Terra Inside

12 03 2010



*Important disclosures can be found at the end of this report*

# Insider Trades 11.03.2010

It was announced yesterday that the primary insiders have actively participated in the private placement of shares in **Norwegian Property** (NPRO) at a price of NOK 12,00 per share, with the CEO and CFO purchasing shares for NOK 648 000 and NOK 408 000 respectively and significantly increasing their holdings. Also a significant insider buy was reported in **Intex Resources** (ITX), amounting to almost NOK 0,5 mill.

## INSIDER BUY

Ticker	Insider	Price	Value (NOK)	Change
ITX	Andrea Båsen, vice president corporate development and investor relations	9,77	488 500	11%
NPRO	Olav Line, CEO	12,00	648 000	87%
NPRO	Svein Hov Skjelle, CFO	12,00	408 000	100%
NPRO	Canica AS, related to Nils Selte, board member	12,00	18 852 000	6%
NORD	Hans Hekland, vice chairman	1,78	89 000	11%
AKVA	Frode Teigen, board member	19,00	3 784 192	4%

## INSIDER SELL

Ticker	Insider	Price	Value (NOK)	Change
TELIO	Nina Forsberg Mathiesen, director of customer services	41,11	1 849 950	-100%
TELIO	Espen Fjogstad, board member	42,50	6 375 000	-17%

### Explanation:

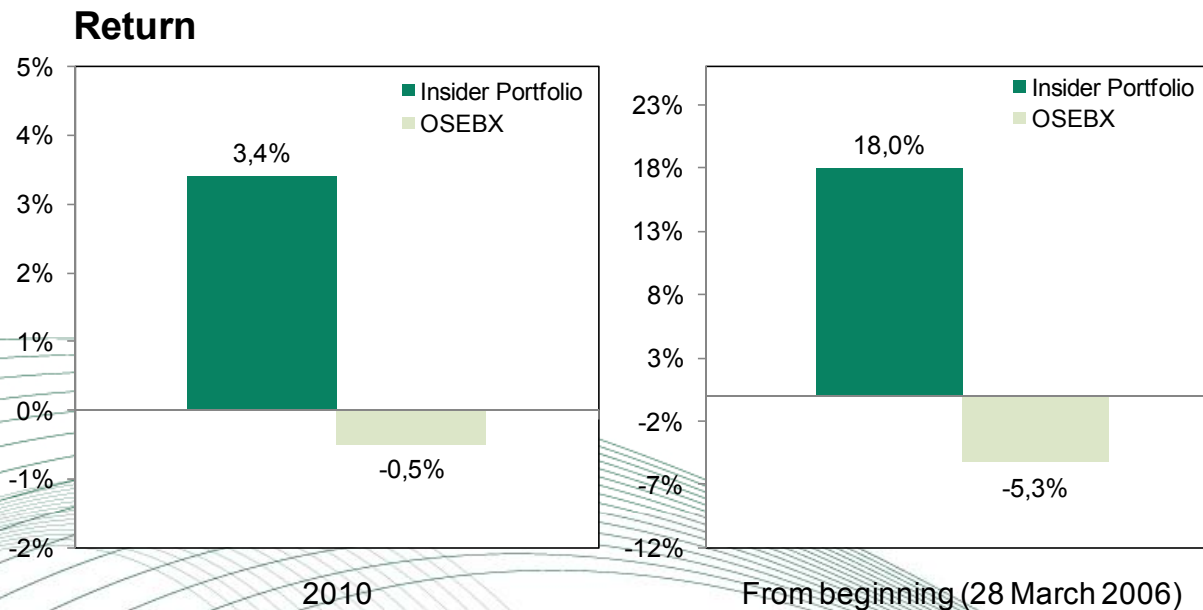
Only more than NOK 50 000 worth trades are included in the tables.

"Change" shows a share of current holding which was bought, or a share of previous holding which was sold.

# Terra Markets Insider Portfolio

Date	Ticker	Price in	Price now	Change
08.12.2009	<b>EMGS</b>	4,60	5,50	+20%
24.02.2010	<b>IGNIS</b>	3,13	3,30	+5%
24.02.2010	<b>PSI</b>	8,96	9,00	+0%
08.03.2010	<b>NAVA</b>	7,81	7,60	-3%
08.03.2010	<b>NUT</b>	1,82	1,71	-6%
08.03.2010	<b>RGT</b>	3,57	3,70	+4%

**Comment:** We make no changes to our insider portfolio today.



Returns of both Insider Portfolio and OSEBX are calculated on an accumulative basis. When taking position in/out, closing price of the previous day is taken into calculation of return.

## Companies with most insider buys last 2 months

Place	Ticker	Company	Number of buys	Number of sales	Value of buys (NOK)	Value of sales (NOK)
1	NUT	Nutri Pharma	10	0	15 291 000	-
2	TEL	Telenor	9	2	878 380	2 053 574
3	DIAG	DiaGenic	6	1	1 598 110	877 833
4	ACTA	Acta Holding	6	0	1 063 700	-
5	IGNIS	Ignis	5	0	939 999	-
6	RGT	Rocksource	5	0	1 904 539	-
7	QFR	Q-Free	5	0	800 655	-
8	NOD	Nordic Semiconductor	4	0	400 488	-
9	CRU	Crew Gold Corporation	4	0	36 681 400	-
10	BIOTEC	Biotec Pharmacon	4	0	1 014 060	-
11	FBU	Fornebu Utvikling	4	0	2 705 000	-
12	NORD	NorDiag	4	0	492 200	-
13	NAVA	Navamedic	3	0	321 100	-
14	REC	Renewable Energy Corporation	3	0	241 799	-
15	MIS	Maritime Industrial Services	3	0	790 390	-
16	DNO	DNO International	3	1	1 840 850	100 500 000
17	NPRO	Norwegian Property	3	0	19 908 000	-
18	RIE	Rieber & Son	2	0	310 500	-
19	NIO	Nio Security	2	0	280 631	-
20	EMGS	Electromagnetic Geoservices	2	0	1 331 240	-

*Note: only more than NOK 50 000 worth trades are included in the table.*

# Insider Score

## Top 30 companies according to Insider Score

Place	Company	Insider Score	Change*
1	Norwegian Property	29	+29
2	Nutri Pharma	28	0
3	Electromagnetic Geoservices	20	0
4	Rocksource	18	+2
5	Reservoir Exploration Technology	16	0
6	Opera Software	12	-1
7	Ignis	9	+1
8	Maritime Industrial Services	8	+2
9	Arendals Fossekompani	8	-1
10	Biotec Pharmacon	6	-1
11	Rieber & Son	5	0
12	Q-Free	5	0
13	PSI Group	4	0
14	Navamedic	4	0
15	Acta Holding	4	0
16	Hurtigruten	4	0
17	Acergy	3	0
18	Golar LNG Energy	2	0
19	Cecon	2	0
20	Kongsberg Automotive Holding	2	0
21	AKVA Group	2	+2
22	Crew Gold Corporation	2	0
23	Northern Logistic Property	2	0
24	NorDiag	2	0
25	Aker Seafoods	1	-1
26	Intex Resources	1	+1
27	Spectrum	1	-1
28	Mamut	1	0
29	Grieg Seafood	1	0
30	DiaGenic	1	0

## Negative Insider Score

Place	Company	Insider Score	Change*
1	TGS	-94	+1
2	Subsea 7	-59	0
3	Odfjell ser. A	-46	0
4	Royal Caribbean Cruises	-27	+1
5	Telio Holding	-21	-21
6	Marine Farms	-20	+3
7	DNO International	-16	0
8	Petrojack	-16	0
9	Atea	-15	0
10	Bouvet	-12	0
11	Dockwise	-10	0
12	Lighthouse Caledonia	-8	0
13	Telenor	-7	0
14	Photocure	-6	0
15	Global Tender Barges	-5	0
16	Kitron	-4	0
17	Ekornes	-3	0
18	Blom	-2	0
19	EDB Business Partner	-2	0
20	Siem Offshore	-1	0

\*Change from last day

Note: explanation of the calculation of our Insider Score is in the next page.

# Explanation of Insider Score

The calculation of our Insider Score for the companies is based on the following principles:

- Insider trades of all sizes, both “buy” and “sell”, are taken into calculations.
- Each insider trade brings its score to the total score for the company.
- Score of each insider trade is calculated using a formula:  $A \times S \times C \times P \times T$ , where A, S, C, P and T are respectively Action-, Size-, Change-, Price- and Time- factors.

## **Action factor:**

1 for an insider buy and -0,5 for an insider sell. That is, an insider buy gets a positive score while an insider sell gets a negative score, and an insider sell gets a twice lower weight than a buy. That is because the motivation for an insider sell may be simply a need for money at that moment, not a disbelief in the share.

## **Size factor:**

Insider buy worth up to NOK 1 mill. scores up to 25 points on a linear principle, additional value from NOK 1 mill. to NOK 10 mill. scores additional up to 75 points on a linear principle. Any > NOK 10 mill. worth insider buy gives 100 points.

## **Change factor:**

x% change in insider’s holdings after a transaction gives x/100 factor. “Change” refers to a share of current holding which was bought, or a share of previous holding which was sold.

## **Price factor:**

x% increase in the share price from the price at which the insider buy was made, and x% decrease in the share price from the price at which the insider sell was made, reduces the score by  $2 \times x\%$ . So after a 50% increase/decrease in the share price, the price factor (and hence the score from the transaction) is 0. If there was an insider buy but the share price decreased afterwards, or there was an insider sell but the share price increased afterwards, no adjustment is made (price factor = 1).

## **Time factor:**

Each calendar day after an insider transaction reduces the score from this insider transaction by 1%. So after 100 calendar days, the meaning of the insider trade is 0.

## Last 50 insider trades (> NOK 100 000)

Date	Ticker	Name	Position	Action	Price	Value in NOK	Change
11.03.2010	ITX	Andrea Båsen	vice president corporate development and investor relations	Buy	9,77	488 500	11,1%
11.03.2010	NPRO	Olav Line	CEO	Buy	12,00	648 000	87,1%
11.03.2010	NPRO	Svein Hov Skjelle	CFO	Buy	12,00	408 000	100,0%
11.03.2010	NPRO	Canica AS	related to Nils Selte, board member	Buy	12,00	18 852 000	6,3%
11.03.2010	AKVA	Frode Teigen	board member	Buy	19,00	3 784 192	3,6%
11.03.2010	TELIO	Nina Forsberg Mathiesen	director of customer services	Sell	41,11	1 849 950	-100,0%
11.03.2010	TELIO	Espen Fjogstad	board member	Sell	42,50	6 375 000	-16,7%
10.03.2010	QFR	Øyvind Isaksen	CEO	Buy	20,29	395 655	21,2%
10.03.2010	QFR	Roar Østbø	CFO	Buy	20,25	202 500	21,3%
10.03.2010	QFR	Marianne Sandal	VP operations	Buy	20,20	101 000	29,4%
10.03.2010	BIOTEC	Svein Lien	managing director	Buy	6,23	448 560	69,9%
10.03.2010	FBU	Anne Grete Ellingsen	director corporate communications	Buy	1,77	177 000	40,0%
10.03.2010	RCL	Laura Laviada	primary insider	Sell	174,37	3 487 388	-33,2%
09.03.2010	EMGS	Dave Ridyard	president of EMGS Americas	Buy	5,42	271 000	32,6%
08.03.2010	ACTA	Sveinung Byberg	managing director Acta Kapitalforvaltning	Buy	3,43	102 900	44,1%
08.03.2010	DNO	Berge Gerdt Larsen	chairman	Sell	6,70	100 500 000	-32,9%
05.03.2010	RGT	Trygve Pedersen	CEO	Buy	3,10	696 177	60,0%
05.03.2010	RGT	Bjarte Fagerås	board member	Buy	3,10	745 904	100,0%
05.03.2010	RGT	Tommy Sundt	CFO	Buy	3,10	198 906	6,4%
05.03.2010	RGT	Gregor Maxwell	COO	Buy	3,10	188 962	17,2%
05.03.2010	OPERA	Audun Wickstrand Iversen	board member	Buy	22,85	1 485 250	46,4%
05.03.2010	RCL	Bradley H. Stein	primary insider	Sell	171,14	194 413	-0,9%
04.03.2010	CRU	Endeavour Financial Luxembourg SARL		Buy	1,46	32 172 000	2,6%
04.03.2010	IMAREX	Andrew S. Stephens	CEO of Spectron Group Limited, a wholly owned subsidiary of Imarex ASA	Sell	55,00	110 000	-
04.03.2010	RCL	Bradley H. Stein	primary insider	Sell	168,31	168 306	-0,7%

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Date	Ticker	Name	Position	Action	Price	Value in NOK	Change
04.03.2010	BOUVET	Sverre Hurum	primary insider	Sell	55,00	4 400 000	-11,1%
04.03.2010	BOUVET	Erik Stubø	primary insider	Sell	55,00	2 750 000	-15,1%
04.03.2010	BOUVET	Nils Olav Nergaard	primary insider	Sell	55,00	2 750 000	-20,6%
04.03.2010	BOUVET	Anders Volle	primary insider	Sell	55,00	1 100 000	-15,2%
04.03.2010	BOUVET	Eirik Vefsnmo	primary insider	Sell	55,00	550 000	-11,0%
03.03.2010	ACTA	Jostein Viken	managing director Acta Asset Management	Buy	2,61	313 200	27,0%
03.03.2010	ODF	Laurence W. Odfjell	primary insider	Buy	45,00	2 250 000	0,2%
03.03.2010	AFK	Øyvin A. Brøymer	board member	Buy	1 660,00	3 152 340	8,4%
03.03.2010	ODF	ChemLog Holdings Limited		Sell	44,00	607 304 104	-100,0%
03.03.2010	TGS	Arne Helland	primary insider	Sell	120,32	11 400 225	-100,0%
03.03.2010	TGS	Fredrik Amundsen	primary insider	Sell	121,00	453 751	-100,0%
03.03.2010	TGS	Genie Ermeta	primary insider	Sell	121,00	1 058 753	-100,0%
03.03.2010	TGS	Karen El-Tawil	primary insider	Sell	120,32	3 489 251	-32,9%
03.03.2010	TGS	Rod Starr	primary insider	Sell	120,32	1 052 791	-26,5%
03.03.2010	TGS	Stein Ove Isaksen	primary insider	Sell	121,00	4 840 012	-100,0%
03.03.2010	TGS	Zhiming Li	primary insider	Sell	121,00	1 058 753	-3,6%
02.03.2010	CRU	Endeavour Financial Luxembourg SARL		Buy	1,39	1 732 500	0,2%
02.03.2010	LHC	OddGeir Oddsen	CEO	Sell	0,44	754 198	-100,0%
02.03.2010	JACK	Bernh. Larsen Holding AS	related to Astrid Svenheim, board member	Sell	0,54	108 200	-100,0%
01.03.2010	CRU	Endeavour Financial Luxembourg SARL		Buy	1,20	1 500 000	0,2%
01.03.2010	SNI	Fiducia Ltd.	related to primary insiders	Buy	92,55	4 627 500	0,2%
01.03.2010	GSF	Morten Vike	CEO	Buy	14,00	154 000	22,2%
01.03.2010	IMAREX	Andrew S. Stephens	CEO of Spectron Group Limited, a wholly owned subsidiary of Imarex ASA	Sell	54,00	108 000	-
01.03.2010	MAFA	Jan Egil Moe	board member	Sell	16,00	1 920 000	-100,0%
01.03.2010	MAFA	Bjørn Myrseth	CEO	Sell	16,00	5 952 000	-33,4%

Note: "Change" shows a share of current holding which was bought, or a share of previous holding which was sold. Only more than NOK 100 000 worth trades are included in the table.

# Disclosures

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## Planned updates of research recommendations

Terra Markets plans to update its recommendations on the companies covered: 1) when new accounting figures are released, 2) if any material news on the company or industry is released, 3) in other important instances.

## Recommendation structure and risk classification

Terra Markets' recommendations are based on a six-month time horizon and are based on absolute performance adjusted for risk. Near term dividends are included into return. The table below shows our general guidelines for determining our recommendations:

Risk	Buy / Strong Buy	Hold	Reduce / Sell
Low	> 10%	2% - 10%	< 2%
Medium	> 15%	3% - 15%	< 3%
High	> 30%	5% - 30%	< 5%

The percentages are defined as an upside to our price target plus eventual dividends within six months. Whether a Buy or Strong Buy / Reduce or Sell recommendation is given, depends on analyst's conviction in the case.

Price targets are based on a combination of several valuation methods. The most frequently used are the Discounted Cash Flow (DCF), Sum Of The Parts (SOTP) and relative valuation methods, depending on the nature of the company.

Our risk assessments range from high risk to medium risk and low risk and are based on a subjective assessment of the following factors: 1) volatility in the share price, 2) liquidity in share, 3) strength of balance sheet, 4) absolute earnings level and trend and 5) estimate risk.

**Recommendation distribution as of January 8, 2010**

Weekly Casebook	Strong Buy	Buy	Hold	Reduce	Sell
Total	4	53	58	23	1
% of total	3%	38%	42%	17%	1%
Corporate clients	2	13	9	1	0
% of total	8%	52%	36%	4%	0%

The recommendation distribution above is based on Terra-rating in Weekly Casebook. Terra-rating of +2 is defined as Strong Buy, +1 as Buy, 0 as Hold. Terra-rating of -1 is defined as Reduce and -2 as Sell.

**Recommendation distribution as of January 8, 2010**

Company reports	Strong Buy	Buy	Hold	Reduce	Sell
Total	3	60	49	11	5
% of total	2%	47%	38%	9%	4%
Corporate clients	0	13	8	0	0
% of total	0%	62%	38%	0%	0%

The table above shows recommendation distribution for all company reports issued during the last three months.

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Bond issues: Borgestad, Simtronics, Transeuro Energy Corporation.

Advisory: 24SevenOffice, Borgestad, DiaGenic, NattoPharma, NorDiag, Simtronics, Terra Gruppen, Transeuro Energy Corporation.

Market making: 24SevenOffice, AF Gruppen, Bellit, Borgestad, Borgestad Industries, Comrod Communication, ContextVision, DiaGenic, Dolphin Interconnect Solutions, Eitzen Maritime Services, Exense, Fairstar Heavy Transport, Fara, Hexagon Composites, Infratek, Intelcom Group, Kitron, Kongsberg Automotive Holding, NattoPharma, Nes Prestegjelds Sparebank, NorDiag, Nordic Health, Nordic Mining, Nutri Pharma, Photocure, Playsafe Holding, Scana Industrier, Scandinavian Clinical Nutrition, Simrad Optronics, Simtronics, Teco Maritime, Totens Sparebank, Unison Forsikring, Zoncolan.

Please note that: Totens Sparebank and Nes Prestegjelds Sparebank are indirect shareholders of Terra Markets AS; Chief Financial Officer of Badger Explorer, Gunnar Dolven, Chief Financial Officer of Totens Sparebank, Paul Tormod Stenberg, and Managing Director of Nes Prestegjelds Sparebank, Hans Kristian Glesne, are board members of Terra Markets AS.

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