SANTA FE RELOCATION

SANTA FE
GROUP

20ANNUAL
REPORT16

SANTA FE

Our purpose is to give everyone the ability to live and work freely around the world. We are committed to making the experience exceptional.

With great integrity, drive, quality and passion, we embrace our responsibility to fulfil our brand promise by leveraging the global consistency of our local operations, the functionality of our customer-centric technology and the collaborative efforts of our diverse culture.

Our end-to-end service offering span the entire relocation journey for our personal and business customers. From immigration, moving and destination services through to our perfect assignment management solutions.

00

CONTENTS

01 REFLECTION

HIGHLIGHTS	04

MANAGEMENT REVIEW

02 REPLAY

LETTER TO OUR SHAREHOLDERS	09
2020 STRATEGY	10
THE STRATEGIC AGENDA IN 2017	12

03 REVIEW

FINANCIAL HIGHLIGHTS AND KEY RATIOS	15
SANTA FE IN BRIEF	16
FINANCIAL REVIEW	18

04 RESPONSIBILITY

SUSTAINABILITY	23
CORPORATE GOVERNANCE	24
BOARD OF DIRECTORS	26
RISK MANAGEMENT	28
INTERNAL CONTROLS	30
SHAREHOLDER INFORMATION	32
STATEMENT BY THE BOARDS	34
INDEPENDENT AUDITORS' REPORT	35

FINANCIAL STATEMENTS

05 REPORT

CONSOLIDATED	41
PARENT COMPANY	71

06 REFLECTION

DEFINITIONS	80
SUBSIDIARIES AND ASSOCIATES	82
CONTACTS	84

20AR16

Disclaimer
The 2017 outlook reflects management's expectations of future events and must be viewed in the context of the business environments and currency markets, which may cause actual results to deviate materially from those projected by Santa Fe Group. The outlook is stated at current exchange rates and based on estimated consensus growth rates in key economies as well as present expectations from key corporate customers. Santa Fe's business is seasonal and dependent on the third quarter peak season at the Northern Hemisphere as well as the local fourth quarter peak season in Australia. Hence, the majority of revenue and earnings may be recognized in these periods.

2016

JAN

Customers at the core of new technology platform
Santa Fe launches the development of a new CORE Technology platform to leverage customer experience and provide a fully-integrated solution for customers and assignees, customer service, operations and financial reporting. The new technology will position Santa Fe at the head of the mobility industry.

Strategic leverage to global operations
Santa Fe announces the appointment of Kevin Paterson for a new strategic position as Chief Operating Officer. He takes on key responsibility for strengthening the core business, implementing new technology, reducing costs and driving business excellence throughout the global organisation.

JUN

Brexit brings uncertainty to immigration
The Brexit vote in the UK causes international concern and uncertainty about the future of international trade and free movement of employees within the EU. For Santa Fe Brexit means an immediate stall in numbers of relocations to and from the UK – but in the longer term Santa Fe expects an increased demand for immigration support and relocations as companies reorganise their activities around the UK.

JUL

Driving growth in Americas
Americas represent a key strategic growth potential and to support the further development of the Group's position in this region, Santa Fe announces the appointment of David Byers as new CEO with responsibility for the USA, Canada and Latin America.

AUG

Divestment secures full focus on mobility services
Santa Fe signs a Memorandum of understanding to divest its Records Management business in 10 markets to Iron Mountain Inc. for a total consideration of EUR 27.1m and an expected gain of approx. EUR 16m. When the transaction is completed, Santa Fe will be fully focused at becoming the world's leading end-to-end mobility service provider.

REVENUE

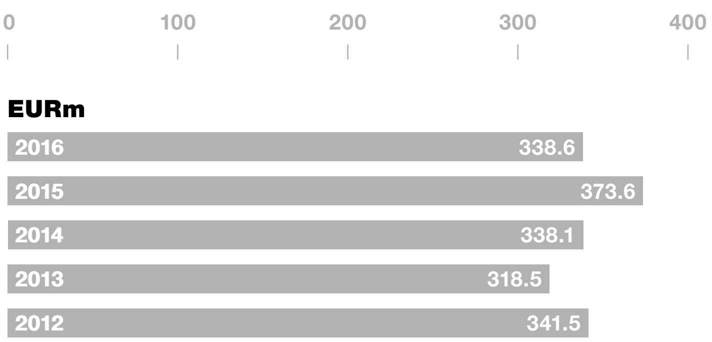
-9.4%
Growth
in EUR
from 2015-2016

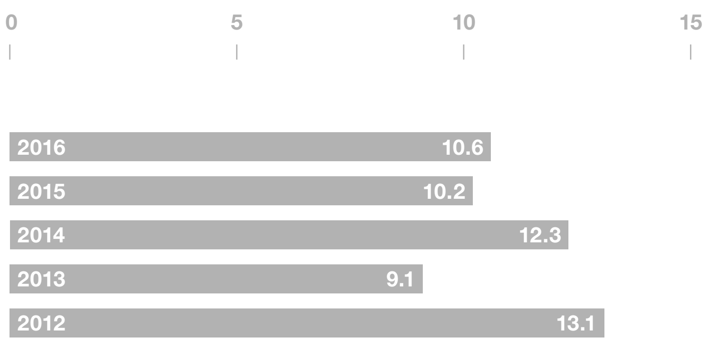
-7.1%
Growth
in local currency
from 2015-2016

EBITDA BEFORE SPECIAL ITEMS

10.8%
Growth
in local currency
from 2015-2016

Margin
2016 **3.1%**
2015 **2.7%**





SEP

Shared Service Centre drives operational efficiencies
Santa Fe establishes a Shared Service Centre in Manila in The Philippines which takes over a number of back office functions from the UK. The Service Centre is one of a number of strategic initiatives to realising further operational efficiencies.

OCT

Expanding footprint in Africa
Santa Fe establishes new office in Nairobi, Kenya. The new setup is a direct response to the continued strong economic growth and increasing customer activity in the Eastern-African region. The expanded presence enables Santa Fe to offer close ground support to its customers and will be key to driving further growth in Africa.

NOV

Fuelling next-level growth
Santa Fe announces the appointment of Gregoire Pinton as Chief Commercial Officer with responsibility for driving the commercial strategy further and generate next-level growth of the company's business and service offering. With focus on further innovating and marketing global solutions, Gregoire Pinton will play a key role in realising Santa Fe's strategy.

Bringing talents into play
Santa Fe launches a new two-year graduate recruitment programme to further extend industry leadership through the recruitment and development of the strongest talents. The "Accelerate" programme supports Santa Fe's strategy of becoming the world's leading mobility service provider powered by next generation technology and the most talented and experienced people.

DEC

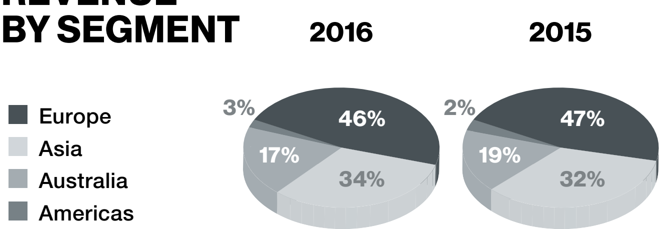
Efficient tool for business travel
Santa Fe launches "Business Travel Tracker" for its customers – a next generation solution for business travellers that manages the risks, security concerns and compliance issues related to immigration, tax and social security regulations across borders. The easy-to-use tool deploys the latest technology to provide a fast, flexible service to ensure compliance risks for business travellers are identified and addressed.

Records Management sold in 5 of 10 markets
Santa Fe closes the transaction to sell its Records Management activities in 5 out of 10 markets according to the agreement with Iron Mountain Inc., thereby recognising approx. 75% of the total expected gain of EUR 16m. The completion of the sale in the remaining 5 markets is expected in the beginning of 2017.

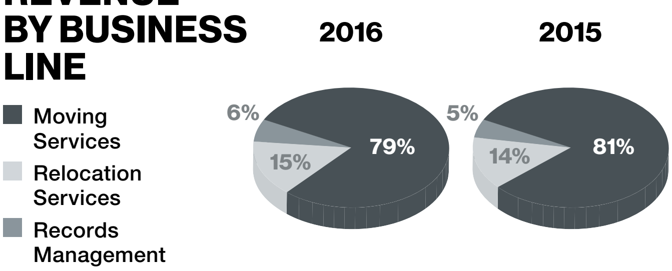
2016

01 REFLECTION

REVENUE BY SEGMENT



REVENUE BY BUSINESS LINE



Moving Services
Providing high quality packing, storage and international transportation of household goods through a network of own offices in 45 countries.

Relocation Services
The high-quality services include assignment management, immigration/visa handling, home/school search, language/cultural training, tenancy management, real estate services and expense management services. The comprehensive service offering allows customers to take full advantage of the local knowledge and expertise in the Santa Fe Group to help ensure a smooth transfer to any location in compliance with local laws.

Records Management
Archive storage and administrative services based on state-of-the-art technology. The services have been offered throughout Asia and two countries in Europe. In 2016 Santa Fe closed the transaction to sell its Records Management activities in 5 out of 10 markets according to the agreement with Iron Mountain Inc.

MANAGEMENT REVIEW

A relocation involves the entire family. Santa Fe takes care of every detail of the process and makes it easy for everyone to get through the transition and quickly settle in.

02

REPLAY

CUSTOMER-CENTRIC TECHNOLOGY

In 2016, Santa Fe implemented Phase 1 of its new state-of-the-art CORE Technology platform. The platform efficiently supports Santa Fe's ability to service customers and assignees according to uniform standards around the world.

LETTER TO OUR SHAREHOLDERS

PREPARING FOR NEXT LEVEL GROWTH

Despite facing a number of significant market challenges during 2016, we maintained a dedicated focus on keeping momentum with our strategic initiatives and reached important milestones according to our 2020 strategy. The results are reassuring and further support our ambition of becoming the global leader of the mobility industry.

Our operational activities during 2016 were affected by both political uncertainty and soft market conditions in key markets with many corporate customers holding back on relocating employees internationally. The Brexit referendum in particular had a significant effect on relocations into and out of the UK, but also our corporate relocation activities in Germany and Australia were below expectations. As a result, Group revenue declined by 7.1% in local currencies. Revenue from Relocation Services, decreased by 0.6% in local currencies, however the underlying development in Immigration Services proved very successful. Relocation Services constitutes 15% of total revenue in 2016.

The operating result (EBITDA before special items) of EUR 10.6m was slightly better than in 2015, although below the original outlook at the beginning of the year. Initiatives to restructure the business and align our cost base to the reduced activity level were executed successfully during H1 and resulted in improved performance in H2. We also delivered improved profit margins in our core moving business, and our initiatives here will continue to generate further margin improvements in 2017.

We continued to make progress in our management of cash flow and working capital. Working capital was reduced by EUR 3.8m and net debt was reduced by EUR 12.0m. The efforts in these areas during 2015 and 2016 have been vital to strengthening our flexibility to operate and continue investing in our operational platform and capabilities.

Strategic execution as planned

In line with our 2020 strategy, our focus through 2015-16 has been on strengthening the foundation, improving earnings and further improving our cash position. We have completed several measures in our "Fix the Core" Moving Services programme and achieved a number of operational efficiencies across the organisation. The launch of Phase 1 of our new CORE Technology platform in November 2016 was another major milestone on this journey and has enabled us to provide our customers and assignees with an unmatched technology platform for managing their relocation programmes. The new technology also directly supports and facilitates our focus on deepening our client relationships.

With the divestment of our Records Management activities of which 5 countries closed in December and the remaining 5 are expected to close in H1 2017, we will soon be fully focused on realising the strategic ambitions for our mobility business.

Pursuing new growth

In 2017-18, we will continue to streamline our operational platform and processes to create further efficiencies where possible. At the same time, we will pursue growth opportunities more actively to gain market shares in what is expected to be another relatively soft year for the global relocation industry. We are, however, encouraged by a very satisfactory intake of new global customers in H2 2016 and expect to be able to build sales momentum further in 2017.

Our ambition remains to spearhead the transformation of the global mobility industry and to set new standards to enable people and businesses to work, live and thrive around the world as freely and flexibly as possible.

The needs of our customers will be at the core of everything we do, and the ultimate customer experience will be driven by a strong and efficient technology platform, delivered by the best people in the industry.

As the stronger operational- and technology platform is getting established, we will be able to start reviewing acquisition opportunities as an avenue to grow and realize synergies in a very fragmented industry.

2017 outlook

In 2017 we will dedicate our efforts to expand our business and continue to drive margin improvements.

We expect our continuing operations to deliver attractive growth rates, driven by new customers, development of new services and solutions, and a gradual recovery of activity levels in the UK and Australia. With the divestment of the Records Management business and the loss of a large customer, however, Group revenue is expected to be at the same level as in 2016 (EUR 338.6m).

The divested Records Management activities has a negative impact on EBITDA of around EUR 3m. We expect to improve the EBITDA margin before special items for the retained activities to deliver an estimated full-year EBITDA before special items of around EUR 10m.

We have an exciting year ahead of us with a number of important strategic initiatives to complete successfully to bring us to the next level in our journey of becoming the global industry leader and creating attractive and sustainable returns to our shareholders. We are confident that our dedicated organisation of talented employees, our unique technological platform and our comprehensive range of mobility services will enable us to reach our ambitions in close cooperation with our customers around the world.

Henning Kruse Petersen
Chairman of the Board

Martin Thaysen
Group CEO

2020 STRATEGY UPDATE

CONSULTING ADDS STRATEGIC PERSPECTIVE

HR executives in global corporations are faced with many challenges in the day-to-day management of their relocation programmes. Santa Fe helps reviewing the mobility programmes in a strategic perspective, benchmarking policies, improving cost management and supply chain operations.

Santa Fe's 2020 Strategy is aiming at establishing the Santa Fe Group as a strong and profitable global leader of the mobility industry by 2020.

2020

The strategy takes a three-phased approach to reaching this ambition: In 2015-16, the focus has been to lay a sustainable foundation for growth by reorganising Moving Services and strengthening the Group's skills, technologies and processes. In 2017-18, we aim to accelerate growth and to increase the scale of our service offering in order to capture market shares and outperform our competition, thereby achieving global market leadership by 2019-20.

Attractive markets

According to independent sources, the global expatriate market consists of more than 50m people and the number continues to grow at higher rates than global GDP*. Around 1.4m of these expatriates are corporate assignees while the large remainder are individual workers, students, retirees and others emigrating without support from an employer. Santa Fe has primary focus on the corporate assignee market and to a minor degree selected segments of the individual market.

The global mobility market is currently highly fragmented: There is a very large number of local vendors offering cross-border moves of household goods and a selective range of destination services. A large field of regional providers, including audit firms and specialised agencies, facilitate immigration and handle visa formalities for individuals. A number of global audit firms, as well as specialised immigration and relocation companies, advise corporations on Immigration Services (IMMS). The market is also addressed by specialised relocation companies offering services within Relocation & Assignment Management (RAMS) – ranging from designing corporate relocation programmes to managing assignees' expenses and payroll.

Few global vendors, which includes Santa Fe, offer services spanning the entire value chain. These global vendors are meeting an increasing demand from international corporations for one-stop solutions to their global mobility needs.

Over the coming years, Santa Fe will pursue organic growth driven by these trends in the global mobility market – and in the longer term explore opportunities for further consolidating the highly fragmented industry.

"Fix the Core" Moving Services

Santa Fe offers Moving Services from a strong global platform with high and uniform quality standards and own facilities in 45 countries around the world. However, significant seasonality fluctuations in activity levels and a declining demand in Australia and China – combined with high fixed costs and continued fierce price competition – are placing additional pressure on the Moving Services margins. A key priority in the 2020 Strategy is therefore to further strengthen Moving Services' competitive edge and to improve earnings without compromising services or quality.

Under the "Fix the Core" programme several measures were executed in 2016: As examples, our organisation in Europe was restructured by combining individual country organisations into clusters, 4 additional branch offices were closed in Australia, a capacity-sharing agreement was entered into with a competing operator in Australia, a warehouse optimisation project was concluded in Europe and a Shared Service Centre was established in Manila, The Philippines. Strict cost control was maintained across the organisation, along with several procurement initiatives.

The drive to improve the Group's cash flow and cash position, which was launched in 2015, was continued and resulted in a further EUR 3.8m reduction in net working capital and a further improvement in the net debt position.

In addition to these initiatives, a number of other measures have been identified to further drive cash generation and earnings.

The initiatives launched under 'Fix the Core' hold the potential to increase Moving Services' EBITDA before special items margin by around 3 percentage points from the starting point in 2015 to 2020 after having invested around 0.75 percentage points to fund additional technology investments. Approximately 50% of the targeted impact has been realised in 2016 and the remaining improvement potential will be realised gradually up to 2020.

Growth in Relocation Services

Another key element in the 2020 Strategy is to enhance our focus on Relocation Services. Since 2012, the business line has shown average annual growth rates of 23% in EUR and the 2020 Strategy aims at further accelerating this growth driven by new global contracts and expanding business activities with existing customers.

Today, Santa Fe provides Relocation Services to some of the world's largest companies. While brand recognition and customer retention are generally high, Santa Fe only has a relatively small share of the customers' total transactions and the spend per assignee does not match the full potential. Through Client Management, Santa Fe will seek to take advantage of the significant business potential that lies with existing customers and become these customers' extended mobility department, providing solutions for all their relocation and mobility consultancy services needs. At the same time, Santa Fe aims to bring in new corporate customers and market selected services to business travellers and individuals relocating without the support of an employer.

With offices in 45 countries, Santa Fe's global coverage is unrivalled. Over the coming years, we aim to enhance this position through systematic training of sales and consulting teams, development of new offerings and new technological solutions, all of which will require increased investments in technology and skills development.

New core technology platform

The implementation of a new core technology platform was kicked off with entering into the Salesforce contracts signed in January 2016, and phase 1 of the implementation was launched into our production environment in November. The new technology platform will improve customer and assignee experience and improve data security. Moreover, it will increase employee engagement, improve decision support and facilitate operational efficiencies.

Financial targets 2020

Santa Fe Group expects to generate revenue growth at an average annual rate of 6-8% in local currencies, excluding acquisitions, as from 2018. Relocation Services is expected to deliver double-digit growth, while Moving Services is expected to show modest, single-digit growth.

By the end of the strategy period, Santa Fe expects to achieve an EBITDA before special items margin of around 7%. Progress will be driven partly by the "Fix the Core" programme, and by the higher-margin Relocation Services making up a greater share of Group revenue.

* Source: Finaccord: Global Expatriates: Size, Segmentation and Forecasts for the Worldwide Market (2014)

THE STRATEGIC AGENDA IN 2017

In accordance with the 2020 Strategy, we will return to growth in 2017 while leveraging our global scale, and we will continue to generate efficiency gains under the "Fix the Core" programme.

COMPLIANCE IS CRUCIAL

When relocating to a new country, it is crucial that visa and immigration work permits are in order. Santa Fe provides peace of mind by coordinating and managing the entire visa and immigration process and makes sure that everything is compliant with local requirements at any time during the assignment.

THE THREE-PHASED STRATEGIC APPROACH

2015 2016 LAY THE FOUNDATION

- Fix core moving business
- Build growth enabling capabilities; recruit top talent
- Implement new technologies
- Optimize financial and operational processes
- Bring strategy to life for employees

2017 2018 NEXT LEVEL GROWTH

- Leverage efficiencies and scale
- Return to growth
- Increase RAMS and IMMS share of market
- Scale up enabling functions
- Develop next-level leadership and talents

2019 2020 INDUSTRY LEADER

- Add new markets and segments
- Take market shares
- Constant above-market growth
- Large-scale operations
- Outperform competition

PRIORITIES IN 2017

Strategic area	Targeted milestones	Estimated impact
Fix the Core	Streamline processes, supported by technology	Continued efficiency gains of EUR 2-3m annually realized during 2017 and 2018
	Off-shoring of back-office functions	Savings potential of EUR 2-3m annually to fully materialise from 2018
	Strengthen operating model in Australia	Savings potential of EUR 2-3m annually, majority of which will be realised in 2017
Grow Relocation Services	Client Management Programme	Stronger servicing and more value to key clients, supporting growth and expansion
	Sales of RAMS and IMMS	Further growth and expansion to reach double digit growth in 2017 and 2018
Technology	Expand functionality of CORE Technology	Allows Santa Fe to leverage technology to fuel growth and drive efficiency gains
People	Investment in scaling up organisational capacity and capabilities	Ensure service quality, and readiness for development sales and implementation of new services and contracts
Other activities	Exit non-strategic activities	Focuses business and release cash

Driving growth

The immediate market outlook for corporate international mobility is rather soft, as geopolitical uncertainty and low raw materials prices dampen activity levels for many large multinational companies. 2016 gave the Santa Fe Group a very satisfactory intake of new corporate customers, which will contribute positively to our revenue growth in 2017.

As we shift into the second phase of our 2020 Strategy, we will be directing increased focus and investment on the development of customer solutions and services as well as investing in the addition and development of our people. We have welcomed our new Group Chief Commercial Officer, added additional commercial and customer facing talent – and we are now live with Phase 1 of our new Core technology programme. Our Key Client Programme remains a strategic focus area for us, as we seek to deepen our relationship with existing Key Clients, ensuring continued value creation for our Clients.

The build-up of the Immigration Services (IMMS) and Relocation & Assignment Management Services (RAMS) will be supported by the recruitment of new talent and further development of the business model in order to achieve and operate the expected high growth. Finally, we aim to win new Relocation Services contracts in 2017, based on the robust pipeline at the turn of the year.

Improving margins

The drive to improve margins from the current unacceptable level will continue. In 2017 focus will increasingly turn towards our processes within the organisation and the opportunities for streamlining these processes, supported by technology. Supply Chain Management, increased outsourcing, procurement and strict cost discipline will continue to deliver efficiency gains in 2017.

In 2016, a Shared Service Centre was established in Manila, The Philippines, and certain back office functions were migrated from the UK to Manila. The opportunities for further migration of activities are being assessed. Across business lines, Santa Fe Group will continue the technological transformation which was launched with the implementation of Phase 1 in November and it is the ambition to gradually expand the functionality during 2017.

Capital Allocation and Capital Structure

The Santa Fe 2020 Strategy will require ongoing investments over the coming years – primarily in technology – and in turn also most likely acquisitions. The Board of Directors reviews the Group's capital structure on an ongoing basis to ensure that the capital structure is appropriate, relative to the Group's commitments, strategy and future prospects. The Board of Directors considers that the current capital structure is appropriate to facilitate necessary investments.

Santa Fe will aim to maintain a financial gearing (NIBD / EBITDA before special items) below 2. Free Cash Flow will be allocated to reduce debt if the financial gearing exceeds target. Whenever the financial gearing is within range, Free Cash Flow will be held for investments, value creating acquisitions or allocated to shareholders. Allocation to shareholders will primarily be in the form of share buybacks.

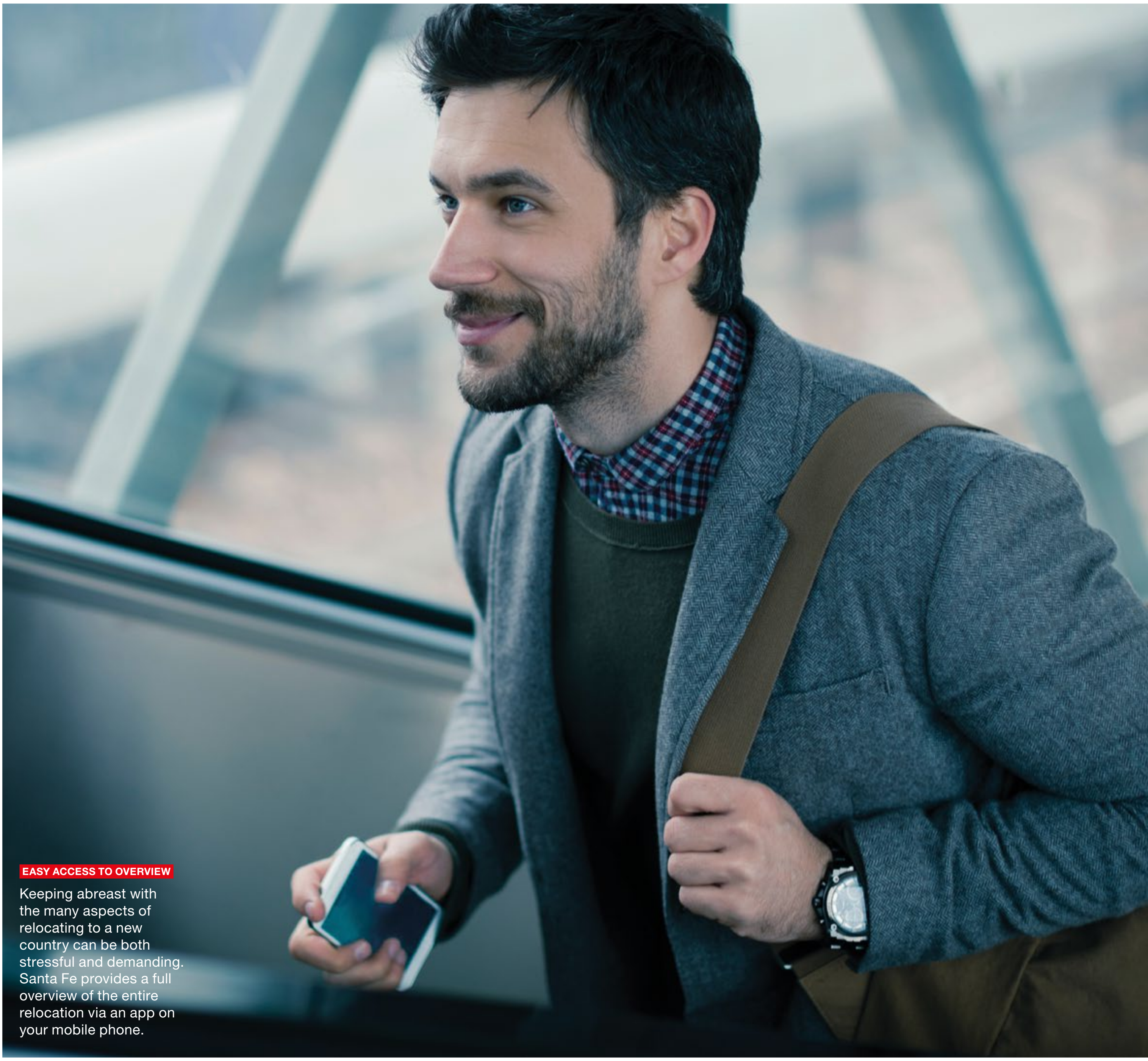
Considering the investment opportunities available to the Santa Fe Group, the Board of Directors does not propose any dividend distribution in 2017.

2020 TARGETS

KPI	2015	2016	2020 Targets - updated
Organic growth, local currency	3.8%	-7.1%	Annual average 6-8% in local currency from 2017
EBITDA margin (before special items)	2.7%	3.1%	7%
Share of relocation services	14%	15%	25-30%
Growth in relocation services, local currency	19%	-0.6%	Annual double digit
Return on invested capital (ROIC)	1.6%	-4.1%	15%

03

REVIEW



EASY ACCESS TO OVERVIEW

Keeping abreast with the many aspects of relocating to a new country can be both stressful and demanding. Santa Fe provides a full overview of the entire relocation via an app on your mobile phone.

FINANCIAL HIGHLIGHTS

EURm	**2016**	2015	2014*	2013*	2012*
CONSOLIDATED INCOME STATEMENT					
Revenue	338.6	373.6	338.1	315.8	341.5
Earnings before depreciation. amortisation and special items (EBITDA before special items)	10.6	10.2	12.3	9.1	13.1
Special items, net	7.6	-0.7	-2.5	0.0	0.0
Earnings before depreciation and amortisation (EBITDA)	18.2	9.5	9.8	9.1	13.1
Operating profit (EBIT)	-3.7	1.8	-34.9	-23.6	7.2
Financials, net	-2.4	-3.4	-2.5	-16.9	-2.1
Share of profit in associates	0.2	0.6	0.1	0.2	0.4
Profit before taxes (EBT)	-5.9	-1.0	-37.3	-40.3	5.5
Income tax	4.6	2.3	-3.6	-0.6	2.8
Profit from continuing operations	-10.5	-3.3	-33.7	-39.7	2.7
Profit from discontinued operations	0.0	-0.1	0.4	0.0	-1.6
Profit for the year	-10.5	-3.4	-33.4	-39.7	21.9
Earnings per share (diluted) EUR, continuing operations	-1.0	-0.3	-2.9	-3.4	0.1

EURm	**2016**	2015	2014*	2013*	2012*
CONSOLIDATED BALANCE SHEET					
Total assets	234.7	241.3	239.7	710.5	935.5
Santa Fe Group's share of equity	86.8	96.8	97.0	152.6	401.9
Non-controlling interests	2.2	1.7	2.4	37.3	18.6
Continuing operations:					
Working capital employed	2.8	12.2	18.0	13.1	11.4
Net interest bearing debt, end of year	-2.4	9.6	20.2	31.2	26.6
Net interest bearing debt, average	4.0	14.9	25.7	28.9	17.0
Invested capital	79.3	101.0	114.8	141.7	183.0
Cash and cash equivalents	43.6	30.5	18.7	27.8	51.0
Investment in intangible assets and property, plant and equipment	6.0	3.8	5.3	8.1	13.3
CASH FLOW					
Operating activities	4.6	12.5	-5.3	1.7	17.2
Investing activities	8.6	-0.4	-29.1	-6.6	-67.4
Financing activities	-0.3	-1.0	-16.9	52.4	89.6
RATIOS					
EBITDA margin (%), before special items	3.1	2.7	3.6	2.9	3.8
Operating margin (%)	-1.1	0.5	-10.3	-7.5	2.1
Equity ratio (%)	37.0	40.1	40.5	21.5	43.0
Return on invested capital (%), annualised	-4.1	1.6	-27.2	-14.5	4.1
Return on parent equity (%)	-12.9	-4.1	35.2	-81.3	5.0
Equity per share (diluted)	7.2	8.1	8.1	12.7	33.5
Number of employees end of year, continuing operations	2,679	2,908	2,969	3,019	2,934

* Income statement 2012-2014 reflecting continuing operations (Santa Fe Group). Cash flow 2012 includes discontinued operations.

The ratios have been calculated in accordance with definitions on page 80.

A UNIQUE VALUE PROPOSITION

Santa Fe offers a unique value proposition to corporate customers and assignees relocating to new locations around the world. The offering spans the entire value chain from planning the move to settling-in and managing the ongoing assignment. We ensure an efficient mobility management in full legal compliance – and a safe and easy new start for the relocating individual and family.

RELOCATION AND ASSIGNMENT MANAGEMENT

- End-to-end Assignment Management
- Expense Management
- Vendor Management
- Cost Projections
- Payroll
- Reporting
- Mobility Consulting

IMMIGRATION

- Advisory
- Programme Management
- Audits
- Work Permits
- Visas
- Extensions
- Consular Processing

DESTINATION SERVICES

- Home Finding and Settling-in
- Educational Consulting
- Orientation
- Property Management
- Language and Cultural Training
- Temporary Accommodation
- On-going Support

MOVING

- Home-To-Home Move Management
- Quality Packing/Unpacking
- Sea/Air/Road Transport
- Customs Clearance
- Secure Storage
- Insurance

The Santa Fe Group is a global leader in international mobility, handling around 50,000 international relocations and around 15,000 domestic relocations (predominantly in Australia) per year, based on own operations in 45 countries and a network of agents. Santa Fe's ambition is to make it easy for companies and people to live and work freely and flexibly around the world.

Santa Fe provide a full range of mobility services for multinational companies and other organisations having executives and professionals on overseas assignments. In addition to this, Santa Fe serve individual customers relocating without the support of an employer. The service offering covers the entire relocation journey – from Immigration Services to obtain work and resident permits through the physical packing- and moving of household goods to a comprehensive range of value-added relocation and destination services to ensure the relocating family settles in to their new home in the best possible way. Santa Fe design and manage entire relocation programmes for large organisations with international operations. Our value proposition is to provide our corporate customers with optimum efficiency in their mobility management, full compliance with all relevant legal regimes, and a safe and easy transition and new start for the relocating individual and family.

Our customers

As the Santa Fe Group has expanded its global platform, an increasing number of international corporate customers have chosen the Santa Fe Group as a one-stop solution provider to cater for their global employee mobility needs. When a new international contract is signed, the Santa Fe Group assumes the responsibility of handling and administrating the customer's mobility activities. In some cases these contracts cover 50 countries or more. Implementation of such contracts requires a comprehensive and coordinated effort across the Santa Fe Group's international network, where the local service organisation in each of the involved countries will process the extensive legal formalities and prepare the operational infrastructure necessary to operate the contracts. This process requires effective procedures and IT systems as well as a dedicated service organisation to secure a consistent, high-quality format and execution across the geographical scope of each contract.

The Santa Fe Group is among the leading global service providers in its field, and the entry-barriers to compete for these types of global contracts are high.

As a signatory to the United Nations Global Compact, the Santa Fe Group also meets the increasing customer demand for responsible corporate conduct and transparency.

Contract wins

The commercial activity level remained high throughout 2016 and the Santa Fe Group had a net intake of new corporate customers. Activity levels are driven by potential customers exploring opportunities to improve overall mobility set-up, but also by increased outsourcing of relocation and assignment management services.

To further underpin the Relocation Services activities, a Consulting Services Unit assists corporate customers in benchmarking their mobility policies and practices. These advisory services add significant value to the customers' relationship with the Group.

Our markets and market drivers

Santa Fe is offering global mobility services through dedicated entities across six continents.

Corporate globalisation remains a key driver for mobility services as international corporations strive to deploy their global talent to develop new and emerging markets and to adjust their global organisations in response to geopolitical events.

Designing and effectively managing a global mobility programme requires an organisational set-up and unique capabilities which are typically not core business for our customers. Thus an increasing number of international corporations choose to find a global external partner with the ability to deliver a uniform and legally-compliant mobility programme, which can facilitate and add value to the company's strategic growth ambitions.

The competitive market for global mobility services falls in two broad categories. The competition for large-scale, complex global relocation opportunities is dominated by a few large US companies that provide Relocation Services through extensive use of subcontractors and those competitors that, similar to the Santa Fe Group, employ their own assets and organisations in the service delivery. At this scale of opportunity, the competitor base is generally considered to be dominated by five key global companies including Santa Fe.

Our strategic journey

Santa Fe's international reach and unique value proposition make us well positioned to take advantage of the current industry trends. Over the coming years we aim to build our position to becoming the undisputed global leader in our industry. We will further streamline our service delivery based on a unique and comprehensive technological platform, while we continue to build strategic partnerships with global corporate customers, expanding the value span of our contracts to cover the full range of mobility and advisory services.

Read more about our strategy and financial targets on page 12-13.

FINANCIAL REVIEW

CONSOLIDATED INCOME STATEMENT

Revenue and EBITDA ended in line with the most recent outlook as announced on 17 November 2016 in the Q3 Interim Report.

Revenue of the Santa Fe Group was EUR 338.6m in 2016 (EUR 373.6m) equivalent to a revenue decline of 9.4% in EUR and 7.1% in local currencies. The decline was mainly seen in some key markets in Europe and in Australia. Especially in the UK the uncertainties around Brexit caused dramatically reduced market activity during the year.

Developments in exchange rates between the reporting currency EUR and the functional currencies of subsidiaries affected the Group revenue for 2016 negatively by EUR 26.5m. This was mainly linked to the depreciation of the GBP and AUD versus the EUR.

	Growth	EURm
Revenue 2015		373.6
Currency translation adjustment	-2.3%	-8.5
Organic growth in local currencies	-7.1%	-26.5
Revenue 2016	**-9.4%**	**338.6**

EBITDA before special items was above 2015 at EUR 10.6m (EUR 10.2m), with an associated improved EBITDA margin before special items of 3.1% (2.7%). The revenue shortfall coupled with margin pressure in the core Moving Services and reduced volumes in key markets in Europe and Australia had a negative impact on earnings. However, this was more than offset by fixed costs savings, primarily within staff costs following restructuring in several key markets, particularly in Europe.

Developments in exchange rates between the reporting currency EUR and the functional currencies of subsidiaries affected EBITDA before special items (EBITDA BSI) for 2016 negatively by EUR 0.7m.

	Growth	EURm
EBITDA before special items 2015		10.2
Currency translation adjustment	-6.9%	-0.7
Organic growth in local currencies	10.8%	1.1
EBITDA before special items 2016	**3.9%**	**10.6**

Special items were a gain of EUR 7.6m in 2016 (EUR -0.7m) and included a gain of EUR 12.2m from divestment of Records Management activities in 5 countries. Costs reported under special items mainly cover restructuring costs in Europe where a number of country organisations have been combined into larger and more agile organisational units as well as costs associated with the management changes in Germany. The Australian business completed further restructuring of the business primarily related to severance pay and closing of branches following another very challenging year. Special items during the same period last year benefited from a EUR 2.0m gain on divestment of a warehouse in Singapore (reclassified from other operating income due to changed accounting policy).

SPECIAL ITEMS – RESTRUCTURING

EURm	**2016**	2015
Gain on divestment of Records Management activities	12.2	-
Germany restructuring costs	-1.5	-
Other European restructuring	-1.6	-
Restructuring costs related to Fix the Core programme	-0.8	-0.8
Severance pay and other staff related costs in Copenhagen	-	-0.7
Restructuring costs, Australia	-0.8	-0.7
Onerous lease cost provision related to discontinued use of warehouses in France (2016-17)	0.1	-0.5
Gain on sale of Singapore Warehouse	-	2.0
Total	**7.6**	**-0.7**

Amortisation and depreciation of intangibles, property, plant and equipment in 2016 of EUR 7.1m (EUR 7.7m) of which the amortisation of the WridgWays trademark accounted for EUR 1.5m (EUR 1.5m). The reduction is mainly related to ceased depreciation on assets held for sale related to Records Management since 30 June 2016.

Impairment of trademarks and other intangible assets amounted to EUR 14.8m (EUR 0m). The weak market conditions in Australia continued in 2016 where reduced activity levels and intense competition put pressure on margins. The Australian business has developed substantially more negative than predicted and as a consequence the Santa Fe Group recognised an additional non cash impairment loss of EUR 14.8m (EUR 14m net of deferred tax) related to the acquired WridgWays trademark and other intangibles recognised in the 2010 acquisition of the Australian business.

Financial expenses and income, net were an expense of EUR 2.4m during 2016 (expense of EUR 3.4m). Financial expenses of EUR 2.8m (EUR 3.8m) were primarily related to interests including capitalised financing and legal expenses on bank facilities of EUR 1.7m (EUR 2.0m). Exchange losses were EUR 1.1m (EUR 1.8m). In 2015 foreign exchange losses were affected by realised exchange losses on receivables and payables as well as unrealised exchange losses on intercompany loans.

The effective tax rate for 2016 was impacted negatively by non-deductible amortisation and impairment of trademarks and certain entities not recognising deferred tax assets in respect of losses for the period due to uncertainty with respect of utilisation.

Net profit from continuing operations in 2016 was a net loss of EUR 10.5m but a net profit of EUR 4.3m excluding impairment charges of EUR 14.8m against a net loss of EUR 3.4m in 2015.

Non-controlling interests' share of net profit for 2016 amounted to EUR 1.3m (EUR 0.6m) which was attributable to the minority shareholder in Santa Fe China.

Santa Fe Group A/S' share of the net loss for 2016 was EUR 11.8m versus a loss of EUR 4.0m in 2015.

CONSOLIDATED BALANCE SHEET

Total equity by the end of 2016 was EUR 89.0m (EUR 98.5m) corresponding to a solvency ratio of 37.0% (40.1%) based on the

Santa Fe Group share of equity. The total equity was positively impacted by foreign currency translation adjustments, offset by the loss for the year and dividend to non-controlling interests.

Working capital employed amounted to EUR 2.8m (EUR 12.2m) equivalent to a decrease of 73% in local currencies. The progress was to a large extent a result of a continued intensive effort to reduce overdue receivables coupled with improved working capital management related to suppliers resulting in increased trade payable days.

Invested capital decreased by 21% versus 31 December 2015 in local currencies to EUR 79.3m (EUR 101.0m). The reduction was primarily driven by impairment of the Australian business, divestment of Records Management assets and the decrease in working capital employed.

Return on invested capital (ROIC) in 2016 was -4.1% (1.6%). Adjusted for impairments of EUR 14.8m ROIC was 12.3% in 2016 benefitting from the Records Management divestment gain.

Net interest bearing debt amounted to EUR -2.4m (EUR 9.6m) strengthened by the cash proceeds received from the Records management transaction and supported by improvements in working capital employed.

NET INTEREST BEARING DEBT

(EURm)	**2016**	2015
Loans and credit facilities	32.5	30.9
Mortgage loans	4.1	4.2
Finance leases	4.6	5.0
Total borrowings	**41.2**	**40.1**
Cash and cash equivalents	-43.6	-30.5
Net interest bearing debt	**-2.4**	**9.6**

Cash flow from operating activities of EUR 4.6m were predominantly affected by the operating result for the year supported by working capital improvements of EUR 3.8m

Cash flow from investing activities of EUR 8.6m was mainly related to proceeds from the Records Management divestment of EUR 13.4m partly offset by investments in property, plant and equipment of EUR 5.7 of which the majority was investments in development and software costs linked to the new technology platform for the Santa Fe Group. Investing activities was during 2015 supported by net proceeds from the divestment of a warehouse in Singapore.

Cash outflow from financing activities of EUR 0.3m was primarily related to dividends to the non-controlling interests in China of EUR 0.7m.

CONDENSED CASH FLOW STATEMENT

(EURm)	**2016**	2015
Cash flow from operating activities	4.6	12.5
Cash flow from investing activities	8.6	-0.4
Free cash flow	**13.2**	**12.1**
Cash flow from financing activities	-0.3	-1.0
Cash flow for the year	**12.9**	**11.1**

OTHER EVENTS

Refinancing

In 2016, the Santa Fe Group entered into an extended and amended EUR 35m loan facility split between HSBC and Danske Bank providing funding for the operations until April 2019. The facility is a combined term loan and revolving credit facility, and subject to usual financial covenants regarding leverage, interest cover and cash flow. During 2016, the Group complied with these financial covenants.

The loan agreement contains a clause whereby the Santa Fe Group is obligated to repay EUR 8m of the total proceeds received from divestment of the Records Managements activities upon closing of the remaining 5 markets expected during H1 2017.

Establishment of Shared Service Centre

During Q3, Santa Fe Group established a Shared Service Centre in Manila, The Philippines. The Service Centre took over a number of back-office functions from the UK during Q4 and further centralisation of other Group and operational functions will be considered on an ongoing basis.

Divestment of Records Management

As announced on 30 December 2016 (announcement no. 11/2016) Santa Fe Group A/S has entered into an agreement to divest its Records Management activities in 10 markets to Iron Mountain Inc. against a cash consideration of EUR 27.1m. On December 30, the transaction was closed in 5 of these markets, while closing in the 5 other markets is expected during H1 2017. The divestment is expected to result in a total divestment gain of approximately EUR 16m and net proceeds after tax of around EUR 24m of which a gain of EUR 12.2m and net proceeds of EUR 13.4m was recognised during 2016 (for further details refer to note 4.10).

The transaction will predominantly take the form of an asset transfer. The net gain before tax from the divestment is recognised as special items.

New technology platform

As announced on 19 January 2016 (announcement no. 2/2016) the Santa Fe Group has signed the first contracts for the development, licensing and implementation of a new technology platform for the Santa Fe Group. The new technology platform is a cornerstone in the 2020 Strategy for which further reference is made to pages 10-11 in the Santa Fe Group Annual Report 2016.

The licensing agreement is valid for 6 years, and the combined value of the contracts is EUR 11.5m. The annual license cost will affect operating profit (EBITDA) from the time the system is taken into operation. Phase 1 of the CORE Technology programme was launched into the production environment in November 2016 and was fully deployed by end of February 2017. The total investment recognised during 2016 was EUR 3.8m. Amortisation will commence as of March 2017.

SUBSEQUENT EVENTS

No material events have taken place after 31 December 2016.

2017 Outlook

The Santa Fe Group's consolidated revenue is expected to be at the same level as in 2016 (EUR 338.6m). The continuing operations are expected to deliver attractive growth rates, driven by new customers, development of new services and solutions, and a gradual recovery of activity levels in the UK and Australia. With the divestment of the Records Management business and the loss of a large customer, however, Group revenue is expected to be at the same level as in 2016.

Consolidated EBITDA before special items is expected to be around EUR 10.0m. The divested Records Management activities has a negative impact on EBITDA of around EUR 3m. The EBITDA margin before special items is expected to improve for the retained activities due to the lower cost base secured in 2016 through a number of restructuring initiatives in both Europe and Australia.

Special items are expected to be a net gain in 2017 of around EUR 2m (EUR 7.6m) impacted by the expected net gain before tax of around EUR 4m on the divestment of the remaining Records Management activities in 5 countries. All expected to close during H1 2017.

Further details about the key strategic focus areas in 2017 can be found on page 12-13 (The strategic agenda in 2017).

The full-year outlook is sensitive to movements in exchange rates amongst others and highly dependent on the high season for relocations, which falls in Q3 in the Northern Hemisphere and in January and December in Australia.

PARENT COMPANY FINANCIAL STATEMENTS

The Santa Fe Parent Company's separate financial statements have been prepared in line with prior years using DKK as presentation currency.

- **Cash flows from operating activities** were a net inflow of DKK 204m (a net outflow of DKK 199m), due to settlement of loans granted to subsidiaries.
- **Cash balances** at 31 December 2016 amounted to DKK 0m (DKK 2m).
- **Total assets** at year end were DKK 1,028m (DKK 1,407m).
- **Total equity** at year end totalled DKK 980m (DKK 1,140m) of which DKK 140m (DKK 300m) was retained earnings.

BUSINESS LINE PERFORMANCE

Operating Segments

In order to align the financial reporting with the management structure and internal management reporting, Santa Fe Group has effective 1 January 2016 changed the operating segments and added Americas (USA, Canada and Latin America) as a separate operating segment. Furthermore, Middle East and Africa are now included in the Asia region and excluded from Europe. Comparatives have been restated accordingly.

Business and pipeline development

During the year, Santa Fe Group enjoyed a very high retention rate for existing customers and especially towards the end of 2016 a strong intake of new corporate customers. The Commercial efforts are directed towards customers who are keen on taking advantage of our extensive palette of service offerings beyond the core moving of household goods. The net intake of corporate customers was positive in 2016, and we closed the year with a good pipeline of new opportunities which we are actively engaging with.

Key Client Management continues to be an important strategic focus area in order to further develop customer relationships and support growth opportunities with the individual customers.

Revenue by business lines

The Santa Fe Group continues the strategic focus on expanding from the core Moving Services into other Relocation Services, which typically generates higher margins. Revenue from Relocation Services reached 15% of total revenue in 2016 versus 14% in 2015. The current change is largely caused by the revenue decline in Moving Services, but our focus remains and we aim to continue to increase revenue from Relocation Services – both relative and overall.

Moving Services

Overall revenue in 2016 from Moving Services decreased by 9.4% in local currencies and by 11.6% in EUR to a total of EUR 267.9m (EUR 303.1m).

Relocation Services

Revenue in 2016 decreased slightly by 0.6% in local currencies but decreased by 3.7% in EUR to EUR 51.8m (EUR 53.8m).

Records Management

Revenue in 2016 increased by 14.0% in local currencies to EUR 18.9m (EUR 16.7m).

EUROPE

Overall 2016 revenue in Europe of EUR 156.1m (EUR 176.3m) was 8.0% below 2015 in local currencies.

Revenue from **Moving Services** in Europe decreased 9.9% in local currencies during 2016 to EUR 125.6m (EUR 145.0m). Several key markets realised lower revenue compared to 2015 - in particular United Kingdom and Germany. The UK market suffered from the uncertainty leading up to and after the Brexit referendum and has been very weak since with many customers holding back on relocating executives into- and out of the country. Germany was impacted by revenue shortfall from a few key clients, but a close dialogue with these customers has secured a gradual restoration of normal activity levels.

Relocation Services within Europe 2016 increased by 1.3% in local currencies but decreased in EUR to EUR 29.7m (EUR 30.6m). The local currency increase was primarily seen in France, Germany and Benelux partly offset by the UK.

EBITDA before special items in Europe improved to EUR 4.2m compared to EUR 2.0m in 2015 despite the revenue decline. This was mainly a result of lower fixed cost following the restructuring executed during 2016.

Other events

During 2016, Santa Fe Spain has together with 14 other relocation companies been fined by the Competition Authorities in Spain for alleged anticompetitive behaviour related to relocation services provided to a number of ministries in Spain. The Santa Fe Group is not in agreement with the verdict and is appealing the decision at the High Court in Spain. No provision has been recognised end of 2016.

REVENUE BY BUSINESS LINES AND SEGMENTS

	2016					2015					Change in %, EUR	Change in %, LC
EURm	Europe	Asia	Australia	Americas	**Santa Fe Group**	Europe	Asia	Australia	Americas	**Santa Fe Group**		**Santa Fe Group**
Moving Services	125.6	80.5	55.7	6.1	**267.9**	145.0	85.9	66.8	5.4	**303.1**	-11.6%	-9.4%
Relocation Services	29.7	16.9	2.0	3.2	**51.8**	30.6	18.0	2.6	2.6	**53.8**	-3.7%	-0.6%
Records Management	0.8	18.1	-	-	**18.9**	0.7	16.0	-	-	**16.7**	13.2%	14.0%
Total revenue	**156.1**	**115.5**	**57.7**	**9.3**	**338.6**	**176.3**	**119.9**	**69.4**	**8.0**	**373.6**	**-9.4%**	**-7.1%**
Change in %, EUR	-11.5%	-3.6%	-16.9%	16.3%	-9.4%							
Change in %, LC	-8.0%	-2.2%	-16.4%	17.9%	-7.1%							

ASIA

Revenue in Asia in 2016 reached EUR 115.5m (EUR 119.9m). In local currencies revenue declined by 2.2%.

Revenue from **Moving Services** in Asia decreased 5.0% in local currencies to EUR 80.5m (EUR 85.9m). Many markets in Asia declined but in particular China, Indonesia, Hong Kong and Singapore (which had a very strong 2015). The Chinese market for international relocations continues to be low, combined with reduced support from US agents.

Revenue from **Relocation Services** in Asia was EUR 16.9m (EUR 18.0m) or a decrease of 4.0% in local currencies driven by a decrease in many markets in the region including China due to the lower moving activity levels adversely impacting relocation services.

Revenue from the **Records Management** business in Asia continued to deliver strong results and increased by 14.5% in local currencies to EUR 18.1m (EUR 16.0m) resulting from successful price increases in Hong Kong and volume growth.

EBITDA before special items in Asia in 2016 of EUR 15.1m (EUR 15.3m) was negatively impacted by the revenue decline as well as the depreciation of the CNY against the EUR.

AUSTRALIA

In Australia, the 2016 revenue was EUR 57.7m (EUR 69.4m) equivalent to a decrease of 16.4% in local currency.

The Australian **Moving Services** revenue decreased by 16.2% in 2016 in local currency to EUR 55.7m (EUR 66.8) Activity levels remain low with consumers and existing corporate clients. New business won did not come through to compensate the decline in revenue from lost business.

Revenue from **Relocation Services** from the emerging business in Australia decreased to EUR 2.0m (EUR 2.6m).

EBITDA before special items in Australia was below 2015 reaching a loss of EUR -4.3m (EUR -3.1m) primarily due to the substantial revenue decline and margin pressure following strong competition in the consumer segment. The restructuring programme initiated in 2015 was completed during 2016 leading to a reduced fixed costs base in 2016. However, with the continued decline in revenue other options for turning Australia around are being reviewed and further performance improvement initiatives have been identified and are now being prepared for implementation.

AMERICAS

Revenue in Americas in 2016 reached EUR 9.3m (EUR 8.0m). Revenue increased in local currencies by 17.9%. Securing growth and building capabilities in the US is key to achieving our strategic goal to expand our global footprint as an end-to-end mobility service provider. USA is the largest mobility market in the world and many multinational companies have their headquarters in the US. Consequently, it was an important step in June 2016 to announce the appointment of David Byers as CEO for the region. David Byers will be responsible for the USA, Canada and Latin America and for driving the continued growth of the company's business and service offering in the region.

Santa Fe's operations in the Americas currently include 30 employees in offices in the USA and a service set-up in Brazil.

Revenue from **Moving Services** in Americas was EUR 6.1m (EUR 5.4m), equivalent to an increase of 16.0% in local currency.

Revenue from **Relocation Services** in Americas was EUR 3.2m (EUR 2.6m).

EBITDA before special items was EUR -0.3m (EUR 0.1m).

CONSOLIDATED QUARTERLY SUMMARY

EURm	2016					2015				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
EUROPE										
Revenue	**34.7**	**34.8**	**52.1**	**34.5**	**156.1**	**36.6**	**39.8**	**60.1**	**39.8**	**176.3**
- Growth vs. same qtr. prev. year (%)	-5.2	-12.6	-13.3	-13.3	-11.5	20.4	21.0	9.1	-5.9	9.7
EBITDA before special items	**-1.4**	**-0.2**	**5.6**	**0.2**	**4.2**	**-1.6**	**-1.2**	**5.5**	**-0.6**	**2.1**
- EBITDA margin (%)	-4.0	-0.6	10.7	0.6	2.7	-4.4	-3.0	9.2	-1.5	1.2
ASIA										
Revenue	**25.3**	**27.6**	**35.1**	**27.5**	**115.5**	**24.7**	**28.5**	**36.3**	**30.4**	**119.9**
- Growth vs. same qtr. prev. year (%)	2.4	-3.2	-3.3	-9.5	-3.7	27.3	30.1	21.4	19.2	24.0
EBITDA before special items	**1.3**	**2.8**	**6.7**	**4.3**	**15.1**	**1.3**	**3.9**	**6.8**	**3.3**	**15.3**
- EBITDA margin (%)	5.1	10.1	19.1	15.6	13.1	5.3	13.7	18.7	10.9	12.8
AUSTRALIA										
Revenue	**17.3**	**12.0**	**12.3**	**16.1**	**57.7**	**21.3**	**15.7**	**15.1**	**17.3**	**69.4**
- Growth vs. same qtr. prev. year (%)	-18.8	-23.6	-18.5	-6.9	-16.9	1.9	-6.5	-20.5	-16.4	-10.3
EBITDA before special items	**-0.5**	**-1.8**	**-1.4**	**-0.6**	**-4.3**	**0.3**	**-1.7**	**-1.6**	**-0.1**	**-3.1**
- EBITDA margin (%)	-2.9	-15.0	-11.4	-3.7	-7.5	1.4	-10.8	-10.6	-0.6	-4.5
AMERICAS										
Revenue	**2.5**	**2.0**	**2.9**	**1.9**	**9.3**	**0.6**	**1.8**	**2.9**	**2.7**	**8.0**
- Growth vs. same qtr. prev. year (%)	316.7	11.1	0.0	-29.6	16.3	100.0	350.0	222.2	50.0	135.3
EBITDA before special items	**-0.2**	**-0.1**	**0.2**	**-0.2**	**-0.3**	**-0.1**	**0.0**	**0.2**	**0.0**	**0.1**
- EBITDA margin (%)	-8.0	-5.0	6.9	-10.5	-3.2	-16.7	0.0	6.9	0.0	1.3
UNALLOCATED AND OTHER										
EBITDA before special items	**-0.4**	**-0.7**	**-1.8**	**-1.2**	**-4.1**	**-1.0**	**-1.0**	**-1.0**	**-1.2**	**-4.2**
SANTA FE GROUP										
Revenue	**79.8**	**76.4**	**102.4**	**80.0**	**338.6**	**83.2**	**85.8**	**114.4**	**90.2**	**373.6**
- Growth vs. same qtr. prev. year (%)	-4.1	-11.0	-10.5	-11.3	-9.4	17.3	19.2	9.1	-0.1	10.5
EBITDA before special items	**-1.2**	**0.0**	**9.3**	**2.5**	**10.6**	**-1.1**	**0.0**	**9.9**	**1.4**	**10.2**
- EBITDA margin (%)	-1.5	0.0	9.1	3.1	3.1	-1.3	0.0	8.7	1.6	2.7

04

RESPONSIBILITY

PROVIDING THE RIGHT SOLUTIONS

Finding a comfortable home that suits your lifestyle and a good school for your children are some of the most important personal issues, when relocating to a new country. Santa Fe's consultants analyse your specific needs and provide the best solutions to choose from.

SUSTAINABILITY IN THE SANTA FE GROUP

Santa Fe Group makes continuous efforts to improve its sustainability performance according to Santa Fe's Corporate CSR policy and its commitment to the UN Global Compact principles.

Santa Fe focuses on embedding sustainability into our business activities to mutual benefit for our customers, business partners and other key stakeholders while concurrently ensuring that the Santa Fe Group exploit opportunities related to sustainability.

Santa Fe Group's objectives, activities, achievements and expectations within sustainability are detailed in our Global Compact Communication on Progress Report 2016, which is available at: *http://files.shareholder.com/downloads/ABEA-4AIUSN/3955842722x0x929801/663D99D3-9FC8-4AD3-91C7-CD927FB633C4/Santa_Fe_Group_CoP_Report_2016.pdf* in compliance with sections 99a and 99b of the Danish Financial Statements Act.

GOVERNANCE STRUCTURE

CSR is an integral part of daily business operations and decision making in the Santa Fe Group. The Santa Fe Group's sustainability team ensures alignment of sustainability objectives across all regions, implementation and sharing of best practices. The sustainability team consists of members in each region with overall responsibility held by the Santa Fe Group's Chief Financial Officer.

The Board of Directors reviews the company's sustainability strategy, efforts, targets and associated risks on an annual basis.

KEY ACHIEVEMENTS IN 2016

Ethics and behavior:

In our efforts to ensure that all employees perform their duties in accordance with the Santa Fe Group's business ethics, Santa Fe launched an Integrity Program aimed at strengthening ethics and compliance at Santa Fe. The project is led by Santa Fe Group's General Council. Santa Fe's Code of Business conduct was translated into 14 languages and rolled out to all employees via Santa Fe's HR management system. All employees have confirmed their understanding of- and adherence to Santa Fe's Code of Business Conduct. Parallel to this a new independent confidential Integrity Hotline was launched to all employees and third parties. The Integrity Hotline hosted by Navex Global allows reporting of allegations via telephone or the website in local languages 24 hours a day.

Labour Rights:

To maintain the high quality standards that result from high employee satisfaction and an acceptable employee turnover, the Santa Fe Group works to ensure safe and healthy working conditions for all employees and strives to be an exemplary employer. Santa Fe undertook its second global employee engagement survey in partnership with the Great Place to Work© institute. 86% of all employees participated in the survey.

A performance management programme was launched for the top two levels in the organisation with a view to increase employee engagement.

Environment:

As a leader within logistics, the Santa Fe Group gives high priority to reduce the environmental impact of its activities. Various projects were continued in 2016 including route planning and the implementation of environmental management systems according to ISO 14001. 16 offices in Europe became certified to ISO 50001, energy management standard.

Anti-corruption:

As part of Santa Fe's Integrity Program a suite of eLearning training was launched to all employees including training on anti-bribery and corruption, competition law and data protection. In addition, Santa Fe established a wider policy framework including revised anti-money laundering guidelines, updated lists of blacklisted and high-risk countries, dangerous goods and weapons, integrity reporting and compliance policies. Santa Fe also redesigned its supplier due diligence on-boarding process, which contains enhanced questionnaires and a robust verification process via 'World Check'.

FOCUS AREAS IN 2017

Moving into 2017, the Santa Fe Group will continue its effort to improve its sustainability performance. The main focus for the Santa Fe Group will be related to:

Ethics and behaviour:

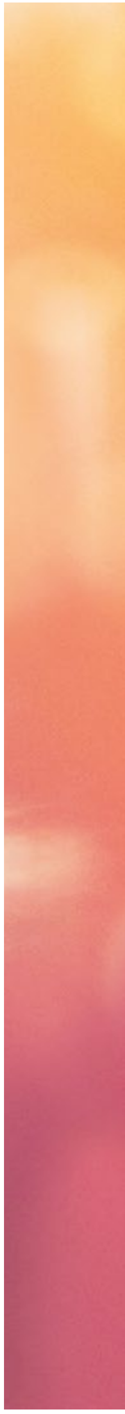
The integrity programme will continue throughout 2017 to ensure that the Santa Fe Group continues to guide and educate staff on ethical business practices. Santa Fe will maintain annual declarations by employees to ensure their understanding of the Code of Business Conduct.

Labour Rights:

In 2017 a key focus will be on the implementation of performance management across Santa Fe with the introduction of consistent metrics for all employees and roll-out of the process through an online performance management system which ties seamlessly into our existing HR systems. The process has been designed in order to secure regular feedback through 1-on-1 meetings between managers and employees to update one another on performance against objectives. It is anticipated that the implementation of the performance management programme will increase employee engagement and will be reflected through the 2017 global survey results.

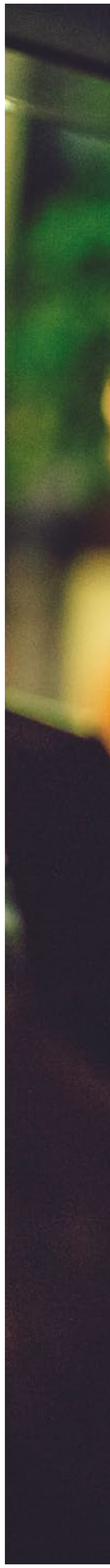
Anti-corruption:

In January 2017, Santa Fe trained more than 1,500 employees in a range of topics within compliance through eLearning, achieving a 99% response rate. Santa Fe will continue to work with its supply chain to provide support and guidance via educational means to ensure the Santa Fe Group is working only with responsible businesses.



CORPORATE GOVERNANCE

This corporate governance report for Santa Fe Group A/S, cf. section 107b of the Danish Financial Statements Act, covers the period 1 January – 31 December 2016.



The corporate governance report for Santa Fe Group A/S includes:

- A description of governing bodies, governance principles and remuneration included on this page.
- A description of risk management (page 28-29)
- A description of internal controls related to the financial reporting (page 30-31)

Governing Bodies

The Board of Directors is responsible for the overall strategy, budgets, goals and management of the company and it lays down the rules of procedure and supervises the work of the Executive Board. The Executive Board (CEO and CFO) attend meetings and teleconferences of the Board of Directors, and the Chairman of the Board of Directors maintains close contact with the Executive Board.

Members of the Board of Directors are elected by the shareholders for terms of 12 months. Members whose term of office has expired are eligible for re-election until they reach the age of 70. When proposing a nomination to the Annual General Meeting, the Board of Directors takes into account the skills required to perform the duties of a board member. The Board of Directors considers the following competencies to be particularly relevant to The Santa Fe Group: Experience in the management of international companies, strategic development, financial matters, risk management, acquisitions and divestments and change processes. The Board of Directors is deemed to possess these competencies and, by virtue of its size, the Board of Directors has decision-making power and drive.

All members of the Board of Directors are independent and have no special interest in Santa Fe Group except as minority shareholders. The Board of Directors held a total of seven meetings and two teleconference during 2016. At the Annual General Meeting, the Chairman of the Board of Directors together with the Executive Board report on the main activities of the past year. At the same time, major developments and new strategic initiatives are presented to the shareholders and the financial position and outlook of the Group are reviewed.

Members of the Board of Directors and the Executive Board are described on page 26-27.

Santa Fe Group Governance Principles

The Santa Fe Group's Board of Directors and Executive Board consistently seek to ensure that the company observes its corporate governance policies and procedures in order to optimise value creation in the Group. The Santa Fe Group strives to maintain an open and active dialogue with its stakeholders, and responsible behavior and respect for the environment form an integral part of the Group's way of doing business. Policies and procedures for stakeholder relations and social responsibility are reflected in this annual report.

The Board of Directors continually considers the relevance of the recommendations by the Committee on Corporate Governance, available at www.corporategovernance.dk.

The Board of Directors has responded to each of the recommendations in the Corporate Governance Reporting Form available at:
http://files.shareholder.com/downloads/ABEA-4AIUSN/3051243390x0x929777/50B62D59-75F6-4F69-A9F5-23A76C1B8B2D/CG_Reporting_form_FY2016_UK.pdf

The Santa Fe Group complies with the 47 recommendations except for the following:

- Due to the size of the Board of Directors (four members) and the competencies of its members, the Board of Directors has decided not to establish any board committees other than an audit committee chaired by the Deputy Chairman and consisting of all members of the Board of Directors.
- The retirement age for members of the board of directors is stipulated in the Rules of Procedures for the Board of Directors as opposed to the company's articles.
- The existing share-based remuneration programme approved by the shareholders at the AGM in 2015 is not a roll-over programme and has a vesting period of only 2 years.
- The Company discloses the aggregate remuneration to the Board of Directors and the Executive Board, respectively. Information about remuneration on an individual basis does not, in the opinion of the Company, serve any objective purpose.

Remuneration

The Executive Board receives a fixed salary and participates in a share option incentive programme, which was approved by the shareholders at the Annual General Meeting in 2015. The terms of the programme can be found on
http://investor.thesantafegroup.com/corporate-governance-document.cfm?DocumentID=9711
For further information, please refer to note 2.5 and 5.6 in the consolidated financial statements. The Santa Fe Group has no retention or severance programmes in force for the Executive Board.

The remuneration of the members of the Board of Directors consists of a fixed annual fee. The remuneration for 2016 was approved at the Annual General Meeting in 2016 and is disclosed in note 2.5 to the consolidated financial statements. The remuneration for 2017 will be submitted for approval at the Annual General Meeting to be held on 27 March 2017.

KEEPING THE JOB IN FOCUS

The HR department expects their relocated employees to be focused in their new roles from day one. Santa Fe's settling-in services are designed to help the assignees get through the vital first months without any distractions getting in the way of a positive experience.

BOARD OF DIRECTORS

Name	**Name**	**Name**	**Name**
Henning Kruse Petersen	**Preben Sunke**	**Jakob H. Kraglund**	**Michael Hauge Sørensen**
CEO, 2KJ A/S and Komplementarselskabet Midgard Denmark ApS	Group Chief Financial Officer and Member of the Executive Board of Danish Crown A/S	CEO, Mobylife Holding A/S	
Chairman	**Deputy Chairman**	**Board Member**	**Board Member**
Joined	Joined	Joined	Joined
2006	**2007**	**2016**	**2015**
Born	Born	Born	Born
1947	**1961**	**1967**	**1973**
Nationality	Nationality	Nationality	Nationality
Danish	**Danish**	**Danish**	**Danish**
Other Board Of Directors' Assignments:	**Other Board Of Directors' Assignments:**	**Other Board Of Directors' Assignments:**	**Other Board Of Directors' Assignments:**
Chairman of the Board of Directors: C.W. Obel A/S Den Danske Forskningsfond Scandinavian Private Equity A/S Erhvervsinvest Management A/S The Financial Compliance Group A/S Howart University A/S Firstaiders A/S Lunar Holding ApS Lunar Way A/S Midgard Denmark K/S	**Chairman of the Board of Directors:** Forsikringsselskabet af 01.07.2003 a/s Slagteriernes Arbejdsgiverforening	**Chairman of the Board of Directors:** None	**Chairman of the Board of Directors:** TOP-TOY A/S, Denmark Fristads Kansas Group AB, Sweden
Deputy Chairman of the Board of Directors: Asgard Ltd. Skandinavisk Holding A/S Skandinavisk Holding II A/S Fritz Hansen A/S	**Deputy Chairman of the Board of Directors:** None	**Deputy Chairman of the Board of Directors:** None	**Deputy Chairman of the Board of Directors:** None
Member of the Board of Directors: Scandinavian Tobacco Group A/S ProActive A/S William H. Michaelsens Legat The EAC Foundation Midgard Group, Inc. Dekka Holdings Ltd.	**Member of the Board of Directors:** Daka Denmark A/S Skandia Kalk Holding ApS	**Member of the Board of Directors:** TIA Technology A/S	**Member of the Board of Directors:** Pandora A/S, Denmark IC Group A/S, Denmark Zebra A/S, Denmark Michaso Holdings Limited, Hong Kong
Special competencies: Experience as CEO and board member of private, publicly owned and listed companies, strategy, economics, finance, risk management, acquisitions and divestments.	**Special competencies:** Experience as CFO and board member of international food corporations, economics, finance, accounting, auditing, risk management, acquisitions and divestments.	**Special competencies:** Experience as CEO and board member in private equity owned information technology and professional services companies, as country managing director in global consulting, technology and outsourcing company, with business strategy, IT strategy, organisational change and technology implementation.	**Special competencies:** Experience as Executive and Board Member of private and public international companies, business development, emerging markets, Asia Pacific, branding, production, supply chain and retail.
Membership	**Membership**	**Membership**	**Membership**
Holding of SFG shares as of 31.12.2016:	Holding of SFG shares as of 31.12.2016:	Holding of SFG shares as of 31.12.2016:	Holding of SFG shares as of 31.12.2016:
54,266	2,800	9,200	0
Independent	**Independent**	**Independent**	**Independent**

EXECUTIVE BOARD

	
Name	**Name**
Martin Thaysen	**Christian Møller Laursen**
Group CEO of the parent company, Santa Fe Group A/S, and the Santa Fe Group business	Group CFO and member of the Executive Board of the parent company, Santa Fe Group A/S
Group CEO	**Group CFO**
Joined	Joined
2015	**2015**
Born	Born
1971	**1966**
Nationality	Nationality
Danish	**Danish**
Holds no Board of Directors positions outside of the Santa Fe Group	Holds no Board of Directors positions outside of the Santa Fe Group
Membership	**Membership**
Holding of SFG shares as of 31.12.2016:	Holding of SFG shares as of 31.12.2016:
30,000	8,000
Number of share options:	Number of share options:
60,000	32,000

RISK MANAGEMENT

Effective risk management is an integral part of Santa Fe Group's management processes, whereby risks and opportunities are regularly identified and assessed to enable appropriate actions and responses.

Risk governance
The identification and assessment of key risks are important in supporting decision making and enables Management to react proactively to issues with a potential material impact on the Santa Fe Group's earnings and financial performance or which may prevent the realisation of strategic objectives.

The Board of Directors and the Audit Committee review and monitor key risks and related risk management on an on-going basis. It is the responsibility of Management at all levels to ensure that the assessment of risks is formalised and that appropriate mitigation plans are implemented.

Risk profile
The Santa Fe Group is exposed to a number of operational and financial risks, and the Group's risk profile has become increasingly complex following the past years' major acquisitions, bringing different business cultures, financial platforms and geographies together.

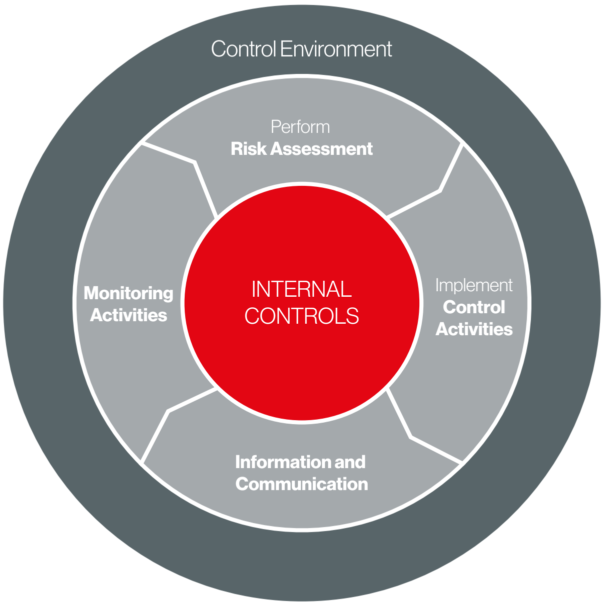
The risks listed below are those that the Board of Directors and the Executive Board currently view as the most critical to the business.

GROUP KEY RISKS	MITIGATING MEASURES
Macroeconomy	
The Santa Fe Group is sensitive to occurrences that reduce global mobility, such as significant reductions in foreign direct investment (FDI) into markets, pandemic diseases, terrorism or political unrest. However, the impact is often not immediate as such events may increase the demand for outbound relocation services from the affected markets. Economic downturns or uncertainties in financial markets could adversely impact the demand for mobility services, particularly if larger customers reduce the scope of their mobility programmes or simply apply a wait and see position towards an uncertain situation.	• The broad geographical footprint and expansion of the Santa Fe Group has reduced the exposure to individual markets. • The pursuit of an increasingly asset light business model increases the ability to respond to fluctuations in individual markets.
Market and Competition	
The Santa Fe Group may lose corporate customers to competition when contracts are up for renewal. This can either be through aggressive pricing by a competitor or through a competitor developing a superior value proposition for a corporate customer.	• Continuous focus on delivering high-quality, professional service to corporate customers and their assignees, where Santa Fe's control of local operations provide assurance of compliance with regulations and quality standards. • No single customer account for more than 5% of total revenue. • Focus on further developing the value proposition through investments in people and technology. • Diversified geography and customers spread over many different industries.

GROUP KEY RISKS	MITIGATING MEASURES
Operations	
As our mobility services often affect our customers' senior executives and since we increasingly are becoming an integral part of our customer's mobility management, there is a risk of damaging our customers' business and/or employee engagement and/or brand if the assignees and their families are not taken care of in a fully compliant and appropriate manner throughout the relocation journey.	• To ensure consistency in the service offering globally, the Santa Fe Group has developed the Perfect Move, Perfect Relocation and Perfect Implementation methodology, supported by a performance monitoring and audit process. • The Santa Fe Group alleviates the product risk by exercising strict control over service delivery through internal quality systems and by complying with industry standards and accreditation to external quality processes. • The Santa Fe Group has invested in quality programmes such as ISO 9001 Quality Procedures, ISO 14001 Environmental Programme, ISO 18001 Health & Safety, AS/NZS 4801 Occupational Health & Safety and ISO 271001 Information and Data Security.
Inappropriate business conduct	
The decentralised structure of the Santa Fe Group and the high emerging market presence increases our exposure to compliance risks in countries where improper practises may be common. This may result in overstatement of revenue, misappropriation of assets, bribery and brand damage.	• The Santa Fe Group has implemented documented financial controlling processes throughout its organisation. See "Internal controls related to financial reporting" on page 30-31. • Key controls are monitored through Control Self-Assessments and a new monitoring software has been implemented. • The Santa Fe Group is conducting compliance training and annual certifications of adherence to its code of conduct. In addition, an enhanced Whistle-blower function has been set up operated by a third party.
Supply chain management	
Santa Fe use subcontractors to deliver selected services in its operations, primarily packing crews where the Santa Fe Group does not have own packing crews directly employed. This represents an elevated risk in terms of performance and compliance.	• The Santa Fe Group has invested in quality programmes, which also applies to subcontractors. • Subcontractors are carefully selected, based on a wide range of criteria and are under strict contractual obligations to fully adhere to Santa Fe's quality- and compliance standards. • The performance of subcontractors is monitored through quarterly assessments and direct supervision.
IT	
The operations of the Santa Fe Group are highly dependent on IT systems. System outages, weaknesses in functionality or implementation may have a serious impact on operations and control of the business.	• The Santa Fe Group works only with very reputable suppliers of IT applications and IT infrastructure, meeting highest standards when it comes to protecting the integrity of systems and data. • The Santa Fe Group has launched the implementation of a new CORE Technology Platform based on Salesforce. Santa Fe will undertake a phased implementation and phase 1 was implemented in November 2016.
Financial exposure	
The Santa Fe Group is exposed to financial risks following the global geographical footprint of the group.	• The financial risks are managed and mitigated on corporate level on a continuing basis. Financial risks are related to interest rate, exchange rate, credit, financing and liquidity risks. For a detailed description of financial risks, reference is made to note 4.5 of the consolidated financial statements.

INTERNAL CONTROLS RELATED TO THE FINANCIAL REPORTING

The internal control system is an important management tool for the Santa Fe Group to achieve its strategic ambition and to sustain and improve performance. The internal control system mitigate risks and ensures an accurate and complete financial reporting without material errors and omissions.



Control environment
The Board of Directors has the overall responsibility for the Group's control environment and has set out policies and guidelines for compliance. These guidelines together with other internal policies and procedures, management structure, legislation and regulations constitute the overall control environment.

The Audit Committee, chaired by the Deputy Chairman and consisting of all members of the Board of Directors, is responsible for monitoring the internal control system related to the financial reporting process on an ongoing basis.

The Group's financial reporting cycle comprises the annual budget, monthly business reporting, full-year estimates and supplementary information regarding particular high-risk items.

Risk assessment
Risks related to the financial reporting process are identified and assessed annually by the Board of Directors and the Executive Board based on a general analysis of material accounts and processes, including items and issues that may be subject to special risks.

Significant financial estimates and evaluations are described in further detail in note 1.6 to the consolidated financial statements.

Control activities
The day-to-day application of internal controls and their effectiveness is handled at entity level. Based on the risk assessment the Group has established a framework of internal control procedures for the group entities.

The control procedures are structured in an “Internal Control Manual” setting out the minimum control activities to be performed and documented within the financial reporting processes. This includes manual as well as automated controls, with clearly defined roles and responsibilities.

The objectives of the control activities are to prevent, detect and correct any material misstatement in the financial reporting and to ensure a strong and effective control environment that support sound decision making and support Santa Fe Group in achieving its strategic ambition.

The “Internal Control Manual” is evaluated on an ongoing basis and adjusted to match the risks in the financial reporting processes.

Information and communication
The internal policies and procedures laid down by the Board of Directors are regularly updated and communicated to the entities to facilitate an effective financial reporting process coherent with the identified material risks.

The head office assists the entities with training and support through written guidelines including the internal control manual, conference calls and onsite visits in order to ensure a consistently high level of the control environment within the Group.

Year-end and other reporting procedures as well as manuals regarding specific IFRS standards are handled by the head office and communicated to the management of each entity.

Monitoring
The internal control system is monitored and analysed through the monthly financial reporting from the entities and reports submitted to the Board of Directors.

In order to strengthen the controls and improve the monitoring of the

GROWING GLOBAL TALENTS
Recruitment of the best talents in the world is a key strategic ambition for Santa Fe. With its new two-year global graduate programme, Santa Fe aims to further extend its industry leadership.

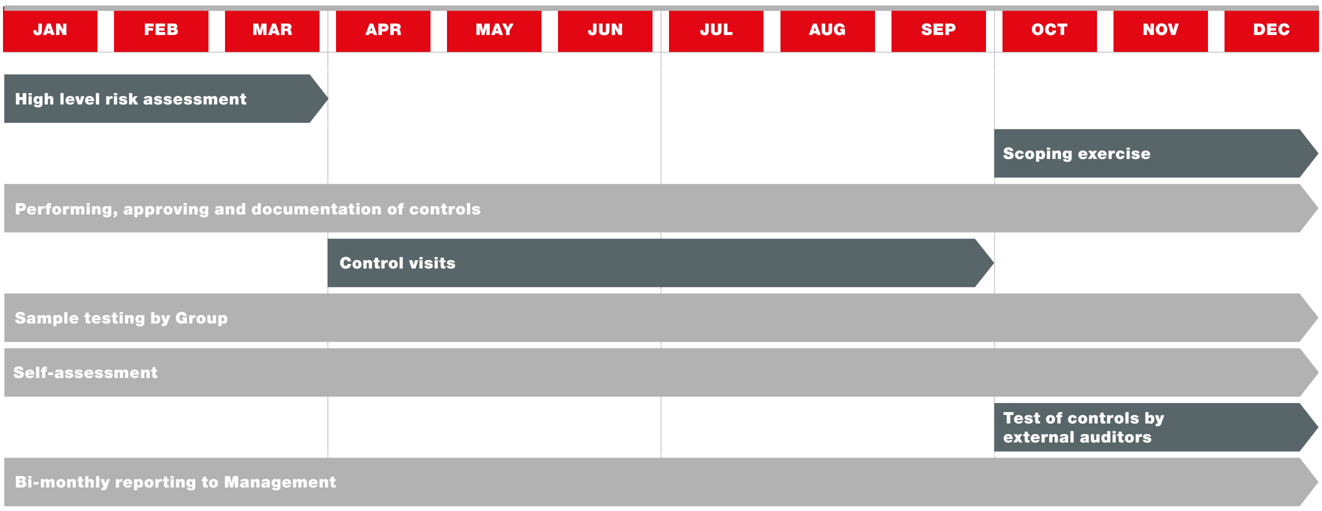
internal control environment, the Group implemented an internal control reporting software during 2016, enabling the entities to confirm compliance and to upload supporting documentation on a monthly basis. The Group assesses the documentation submitted and subsequently provide the entities with feedback and encouragement to further strengthen the controls. Senior Management receives bimonthly updates on the internal control process including suggestions for further improvement.

The software was implemented during Q1 2016 and is now fully operational in all major entities. The software has helped the Group identify weaknesses earlier, share best practices across the countries and helped assess the effectiveness of the internal controls.

Senior management and controllers are visiting selected entities on a regular basis to ensure the control environment is at the highest level and the selection of entities is now determined based on the reporting quality assessed in the new software.

The external auditors are instructed to test a selection of internal controls on a sample basis during the interim audit. The results are summarised and reported to the Executive Board, the Audit Committee and the Board of Directors and used when reviewing the risk assessment for the following year. In order to ensure that all findings have been addressed and action plans are in place, Group controllers conduct follow up meetings with all entities in which the auditors have performed control testing.

ACTIVITIES



SHAREHOLDER INFORMATION

Investor relations
Santa Fe Group provides information to investors and analysts about the Group's businesses and financial performance with the aim of ensuring transparency and a fair valuation of the share.

When publishing interim and annual reports, Santa Fe Group audio casts presentations for investors, analysts and the media. The Executive Board furthermore participates in investor and analyst presentations internationally and in Denmark. The Santa Fe Group share is covered by the analysts listed on the investor section of *http://investor.thesantafegroup.com/analysts.cfm*.

The website is the main source of investor-related information. All annual reports, interim reports and webcasts are available online immediately after being published. According to standard practice, Santa Fe Group does not comment on issues related to its financial performance or expectations three weeks prior to planned releases of full-year or interim financial reports.

The Santa Fe Group share
The shares were traded at a price of DKK 56.0 at the end of the year on NASDAQ Copenhagen A/S. The share yielded an overall decrease of -15% during 2016. By comparison, the SmallCap index increased by 6% during that period.

The daily average turnover of Santa Fe Group shares in 2016 was around DKK 1.3m, corresponding to a total traded volume of DKK 329m (DKK 650m). On 31 December 2016, the market capitalisation of the Santa Fe Group was DKK 673m.

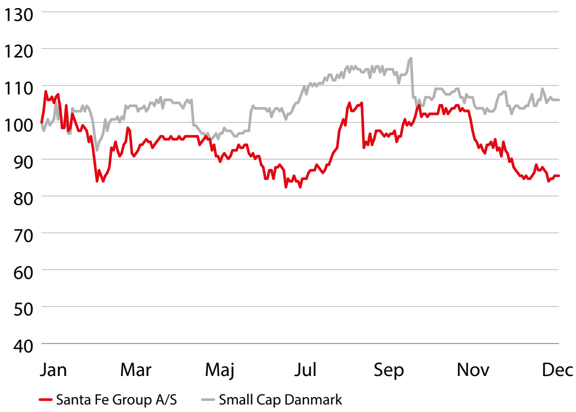
The share is 100% free float, i.e. all Santa Fe Group shares are freely negotiable.

For change of control matters related to employment contracts and other contracts, refer to note 2.5, page 52, and note 5.9, page 69.

Share capital
The share capital amounts to DKK 864,364,165 consisting of 12,347,490 shares at a nominal value of DKK 70 each, equaling DKK 864,324,300, and 1,139 shares at a nominal value of DKK 35 each, equaling DKK 39,865. There is only one class of shares.

The Santa Fe Group share 2016

Indexed share price, DKK



As of 31 December 2016, Santa Fe Group held 338,494 (338,494) treasury shares, equivalent to 2.7% of the total share capital. Treasury shares are held at zero value in the books. Authorisation to acquire treasury shares is disclosed in note 4.1, page 59.

Ownership information
At the end of 2016, approximately 13,000 shareholders were listed in Santa Fe Group's register of shareholders (15,000). About 73% (77%) of Santa Fe Group's total share capital is held by registered shareholders. The ten largest shareholders (excluding own shares) hold in aggregate 19% of the registered share capital. Some 14% of the registered share capital is held by shareholders based outside Denmark.

Register of shareholders
Santa Fe Group's Register of Shareholders is maintained by:

VP Investor Services A/S
14 Weidekampsgade
DK-2300 Copenhagen S

No shareholders have reported a holding of more than 5% of the shares in reference to section 29 of the Danish Securities Trading Act.

Santa Fe Group strives to engage in open dialogue with current and potential shareholders and encourages shareholders to register their holdings with the company and thereby make use of their influence. Registration can take place through the shareholder's own bank securities department or securities broker.

Management's holdings of Santa Fe Group shares
As of 31 December 2016, the members of the Board of Directors and Executive Board combined held a total of 104,266 Santa Fe Group shares (81.166 shares). The Executive Board further held 92,000 share options.

Santa Fe Group maintains a list of insiders in accordance with applicable law. Insiders and related persons may not undertake transactions in Santa Fe Group shares during a closed period of 30 calendar days before the announcement of any of the group's interim financial reports or annual reports.

Annual General Meeting and dividend
The Annual General Meeting of The Santa Fe Group A/S will be held on:

Monday, 27 March 2017 at 16:00 at:
FIRST HOTEL COPENHAGEN
Molestien 11
2450 København SV
Denmark

The notice to convene the meeting will be sent to the listed shareholders who have so requested. A notice will also be posted on the investor section of the Santa Fe Group website investor.thesantafegroup.com together with other key shareholder information related to the AGM.

Santa Fe Group aims to maintain the necessary equity to fund the group's operations and to achieve the group strategy. Excess capital will be distributed to the shareholders through dividend payments including interim dividends and/or share buybacks. Ordinary dividends are determined at annual general meetings.

The Board of Directors will propose to the Annual General Meeting that no ordinary dividend be paid in respect of the 2016 financial year.

TRADING AND SHARE KEY FIGURES AS OF 31 DECEMBER

	2016	2015	2014	2013	2012
Share closing price	56.0	65.5	52.0	79.5	95.0
Share high/low	71/54	79/45	94/51	124/76	173/92
Total number of outstanding shares	12,348,060	12,348,060	12,348,060	12,348,060	12,348,060
Treasury Shares	338,494	338,494	338,494	338,494	338,494
Nominal Value	70	70	70	70	70
Share capital (DKKm)	864	864	864	864	864
Santa Fe Group's share of equity	645	722	722	1,139	2,998
Market value (DKKm)*	673	787	624	955	1,141
Earnings per share (EPS)**	-1.0	-0.3	-21.7	-25.5	11.7
Equity per share*	54	60	60	95	250
Dividend per share (DKK)	0	0	16	0	0
P/E ratio	-57.0	-201.7	-2.4	-3.4	8.1
P/BV	1.0	1.1	0.9	0.8	0.4
Payout ratio (%)	-	-	59	-	-

Per share ratios are calculated based on diluted earnings per share.
*) Excl. treasury shares.
**) Earnings per share from continuing operations excl. treasury shares.

FURTHER INFORMATION

Contacts for institutional investors, analysts and media:

Group CEO Martin Thaysen
Tel. +44 20 3691 8300

Group CFO Christian Møller Laursen
Tel. +44 20 8963 2514

Contact for private shareholders:
Shareholders' Secretariat
Tel. +45 35 25 43 00
E-mail: investor@santaferelo.com
www.thesantafegroup.com

FINANCIAL CALENDAR 2017

02.03. Annual Report 2016
27.03. Annual General Meeting
18.05. Interim Report Q1 2017
30.08. Interim Report H1 2017
16.11. Interim Report Q3 2017

Announcements to NASDAQ Copenhagen A/S during 2016, refer to the website:
http://investor.thesantafegroup.com/releases.cfm

IMPROVING COST MANAGEMENT

The total costs related to an employee relocation may well reach 4-6 times the basic gross salary. Santa Fe provides the tools for cost projection and cost optimisation throughout the lifecycle of the assignments to make the most of this investment.

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The Board of Directors and the Executive Board have today discussed and approved the annual report of Santa Fe Group A/S for 2016.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2016.

Further, in our opinion, the Management's review includes a fair review of the development in the Group's and the Parent Company's operations and financial matters, results for the year, cash flows and financial position as well as describes the most significant risks and uncertainties affecting the Group and the Parent Company.

We recommend that the annual general meeting approve the annual report.

Copenhagen, 2 March 2017

Executive Board:

Martin Thaysen	Christian Møller Laursen

Board of Directors:

Henning Kruse Petersen Chairman	Preben Sunke Deputy Chairman
Michael Hauge Sørensen	Jakob Holmen Kraglund

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Santa Fe Group A/S

Opinion
We have audited the consolidated financial statements and the parent company financial statements of Santa Fe Group A/S for the financial year 1 January – 31 December 2016, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, collectively referred to as the “financial statements”.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2016 and of the results of the Group's and the Parent Company's operations as well as the cash flows for the financial year 1 January – 31 December 2016 in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and further requirements in the Danish Financial Statements Act.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Impairment test of goodwill and trademarks

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter
The audit of the recoverable amount (impairment test) of Interdean International Relocation Group has been considered a key audit matter as the determination of the recoverable value is associated with significant estimation uncertainty as it is based on Management's assumptions regarding expected future revenue growth and margin improvements.

Reference is made to note 1.6 (Accounting estimates and judgements) and note 3.1 (Intangible assets) to the consolidated financial statements and note 11 (Investment in subsidiaries) to the parent company financial statements.

How our audit addressed the Key Audit Matter
We have tested the main assumptions in Management’s determination of the recoverable amount such as revenue growth rates, margin improvements and the applied discount rate.

We have discussed and challenged Management on its expectations to the future, including the Group's 2020 strategy.

The expected growth rates and margin improvements were tested by analysing the bridge between historically realised revenue growth and margins and the future expectations in order to assess whether Management's cash flow expectations were reasonable. As part of that test, we also tested whether budgets for Interdean International Relocation Group have historically been realised as planned in order to assess the accuracy in the Company’s forecasting processes.

In respect of the discount rates, we used KPMG's valuation specialists to help assess whether the discount rates used by Management were reasonable and in line with market expectations. Growth rates were compared to market data to assess whether the revenue growth expectations are reasonable.

Based on the work performed, we have made an overall assessment as to whether the key assumptions applied are reasonable.

We have read Notes 1.6 and 3.1 to the consolidated financial statements and Note 11 to the parent company financial statements and assessed whether the description of the impairment test made, including key assumptions, uncertainties and sensitivity analyses, has been presented fairly and in accordance with the requirements of IAS 36, Impairment of assets.

Revenue recognition

Description of Key Audit Matter
The Group operates globally where revenue is generated based on a large number of contracts with both companies and individuals.

The Group's revenue streams are divided into the following business lines: Moving Services, Relocation Services and Records Management. The revenue recognition criteria vary between the individual business lines.

We have considered revenue recognition a Key Audit Matter due to the large number of contracts and the complexity associated with the recognition of revenue in each of the different business lines.

How our audit addressed the Key Audit Matter
We have obtained an understanding of the different types of services provided by the Group and the related processes and internal controls, and assessed whether the Group's revenue recognition policy is in accordance with the revenue recognition criteria under IFRS.

We have performed tests of the operating effectiveness of key controls associated with revenue in each of the significant subsidiaries in the Group.

We have analysed the recognised revenue, and compared the revenue to our expectations that are based on last year's revenue and the budgeted revenue for 2016. Significant deviations between the recognised revenue and our expectations have been investigated and assessed for reasonableness.

We have on a sample basis selected sales contracts and, based on the terms of the contracts, assessed whether revenue has been recognised accurately and in accordance with the Company's accounting policies.

We have on a sample basis selected invoices and credit notes in the period immediately prior to and after year end, and assessed whether revenue has been recognised in the correct accounting period.

In addition, we have assessed the related accounts receivables by analysing the development in days' sales outstanding, overdue balances and payments received subsequent to year end.

Statement on the Management's review
Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the financial statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Company, cease operations or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Copenhagen, 2 March 2017

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Henrik O. Larsen State Authorised Public Accountant	Lau Bent Baun State Authorised Public Accountant

FINANCIAL STATEMENTS

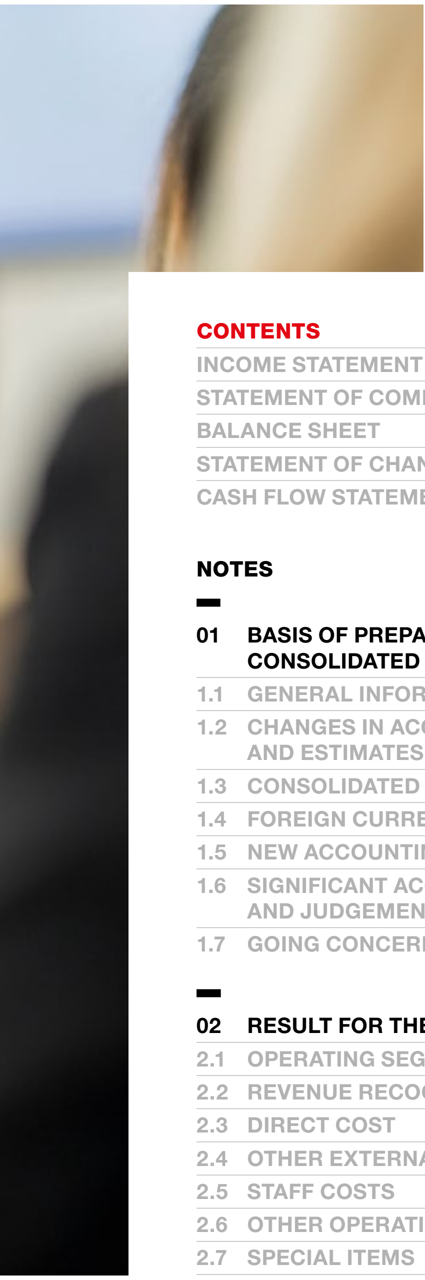
SHARING KNOWLEDGE WITH STAKEHOLDERS

Through regular publication of white papers, point-of-view articles and webcasts, Santa Fe shares relevant knowledge with its customers and other interested parties on key trends, new regulation and other insights relating to the mobility industry.

05 REPORT

ANALYSING GLOBAL MOBILITY

In 2016, Santa Fe released the Global Mobility Survey for the sixth year. The survey is the world's largest of its kind analysing trends and sharing insights on global mobility based in inputs from more than 1,000 mobility professionals around the world.



CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

INCOME STATEMENT	42
STATEMENT OF COMPREHENSIVE INCOME	43
BALANCE SHEET	44
STATEMENT OF CHANGES IN EQUITY	45
CASH FLOW STATEMENT	46

NOTES

01 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENT

1.1	GENERAL INFORMATION	47
1.2	CHANGES IN ACCOUNTING POLICIES AND ESTIMATES	47
1.3	CONSOLIDATED FINANCIAL STATEMENTS	47
1.4	FOREIGN CURRENCY TRANSLATION	48
1.5	NEW ACCOUNTING REGULATION	48
1.6	SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS	49
1.7	GOING CONCERN	49

02 RESULT FOR THE YEAR

2.1	OPERATING SEGMENTS	50
2.2	REVENUE RECOGNITION	51
2.3	DIRECT COST	51
2.4	OTHER EXTERNAL EXPENSES	51
2.5	STAFF COSTS	52
2.6	OTHER OPERATING INCOME	52
2.7	SPECIAL ITEMS	52
2.8	AMORTISATION AND DEPRECIATION FOR THE YEAR	52

03 OPERATING ASSETS AND LIABILITIES

3.1	INTANGIBLE ASSETS	53
3.2	PROPERTY, PLANT AND EQUIPMENT	56
3.3	LEASES	57
3.4	TRADE RECEIVABLES	57
3.5	OTHER RECEIVABLES	57
3.6	EMPLOYEE BENEFITS	57
3.7	OTHER LIABILITIES	58
3.8	PROVISIONS	58

04 CAPITAL STRUCTURE AND FINANCING ITEMS

4.1	SHAREHOLDERS' EQUITY	59
4.2	FINANCIAL INCOME AND EXPENSE	60
4.3	FINANCIAL INVESTMENTS BY CATEGORY	60
4.4	FINANCIAL LIABILITIES	61
4.5	FINANCIAL RISKS	62
4.6	CASH AND CASH EQUIVALENTS	65
4.7	STATEMENT OF CASH FLOW	65
4.8	CHANGE IN WORKING CAPITAL	65
4.9	OTHER NON-CASH ITEMS	65
4.10	DIVESTMENT OF RECORD MANAGEMENT	65

05 OPERATING ASSETS AND LIABILITIES

5.1	DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE	66
5.2	CORPORATION TAX	66
5.3	DEFERRED TAX	66
5.4	LEASING OBLIGATIONS	67
5.5	FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING	67
5.6	INCENTIVE SCHEMES	68
5.7	NON-CONTROLLING INTERESTS	69
5.8	ASSOCIATES	69
5.9	CONTINGENT ASSETS AND LIABILITIES	69
5.10	RELATED PARTIES	69
5.11	SUBSEQUENT EVENTS	69

CONSOLIDATED INCOME STATEMENT

EURm	Note	**2016**	2015
Revenue	2.1	**338.6**	**373.6**
Direct costs		191.4	210.3
Other external expenses		29.8	31.5
Staff costs	2.5	108.6	122.6
Other operating income		1.8	1.0
Operating profit before amortisation, depreciation, impairment and special items		**10.6**	**10.2**
Special items, net	2.7	7.6	-0.7
Operating profit before amortisation, depreciation and impairment		**18.2**	**9.5**
Amortisation and depreciation of intangibles, property, plant and equipment	3.1,3.2	7.1	7.7
Impairment of trademarks and trademarks and other intangibles	3.1	14.8	-
Operating profit/loss		**-3.7**	**1.8**
Financial income	4.2	0.4	0.4
Financial expenses	4.2	2.8	3.8
Share of profit in associates		0.2	0.6
Profit/loss before income tax expense		**-5.9**	**-1.0**
Income tax expense	5.2	4.6	2.3
Profit/loss from continuing operations		**-10.5**	**-3.3**
Profit/loss from discontinued operations		**0.0**	**-0.1**
Net profit/loss for the year		**-10.5**	**-3.4**
Attributable to:			
Equity holders of the parent		-11.8	-4.0
Non-controlling interests		1.3	0.6
Earnings per share (EUR)	4.1	**-1.0**	**-0.3**
From continuing operations		-1.0	-0.3
From discontinued operations		0.0	0.0
Earnings per share diluted (EUR)		**-1.0**	**-0.3**
From continuing operations		-1.0	-0.3
From discontinued operations		0.0	0.0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EURm	Note	**2016**	2015
Net profit/loss for the period		**-10.5**	**-3.4**
Other comprehensive income for the period			
Items not reclassifiable to the income statement			
Actuarial gain/(losses), defined benefit obligations		0.8	0.1
Taxes		-0.2	0.0
Total items not reclassifiable to the income statement, net of tax		**0.6**	**0.1**
Items reclassifiable to the income statement			
Foreign currency translation adjustments, foreign entities		1.1	3.9
Taxes		-	0.0
Total items reclassifiable to the income statement, net of tax		**1.1**	**3.9**
Total comprehensive income , net of tax		**1.7**	**4.0**
Total comprehensive income		**-8.8**	**0.6**
Total comprehensive income attributable to:			
Equity holders of the parent		-10.0	-0.2
Non-controlling interests		1.2	0.8

CONSOLIDATED BALANCE SHEET – ASSETS

EURm	Note	**31.12.16**	31.12.15
Non-current assets			
Intangible assets	3.1	58.8	71.4
Property, plant and equipment	3.2	20.7	31.7
Investment in associates		3.4	3.3
Other investments		1.7	1.8
Deferred tax	5.3	2.6	2.4
Other receivables		1.5	1.8
Total non-current assets		**88.7**	**112.4**
Current assets			
Inventories		2.0	2.1
Trade receivables	3.4	59.9	64.2
Other receivables	3.5	33.0	31.6
Current tax receivable		0.4	0.5
Cash and cash equivalents		43.6	30.5
		138.9	128.9
Assets held for sale	3.2	7.1	-
Total current assets		**146.0**	**128.9**
Total assets		**234.7**	**241.3**

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

EURm	Note	**31.12.16**	31.12.15
EQUITY			
Share capital	4.1	115.9	115.9
Translation reserve		-2.4	-3.6
Treasury shares		-3.2	-3.2
Retained earnings		-23.5	-12.3
Sante Fe Group's share of equity		**86.8**	**96.8**
Non-controlling interests		2.2	1.7
Total equity		**89.0**	**98.5**
LIABILITIES			
Non-current liabilities			
Borrowings	4.4	28.7	38.4
Deferred tax	5.3	1.9	2.0
Provisions for other liabilities and charges	3.9	4.5	1.7
Other liabilities		-	0.2
Defined benefit obligations	3.6	1.7	2.3
Total non-current liabilities		**36.8**	**44.6**
Current liabilities			
Borrowings	4.4	12.5	1.7
Trade payables		56.3	52.6
Other liabilities	3.7	35.2	41.4
Current tax payable		1.9	2.0
Provisions for other liabilities and charges	3.8	3.0	0.5
		108.9	98.2
Liabilities held for sale		0.0	-
Total current liabilities		**108.9**	**98.2**
Total liabilities		**145.7**	**142.8**
Total equity and liabilities		**234.7**	**241.3**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EURm	Share capital	Trans-lation-reserve	Treasury shares	Retained earnings	Proposed dividend for the year	SFG's share of equity	Non-controlling interests	Total equity
Equity at 1 January 2016	**115.9**	**-3.6**	**-3.2**	**-12.3**	**0.0**	**96.8**	**1.7**	**98.5**
Comprehensive income for the period								
Loss for the year	-	-	-	-11.8	-	-11.8	1.3	-10.5
Other comprehensive income								
Foreign currency translation adjustments, foreign entities	-	1.2	0.0	-	-	1.2	-0.1	1.1
Actuarial gain/(losses), defined benefit obligations reclassified	-	-	-	0.8	-	0.8	-	0.8
Tax on other comprehensive income, reclassified	-	-	-	-0.2	-	-0.2	-	-0.2
Total other comprehensive income	0.0	1.2	0.0	0.6	0.0	1.8	-0.1	1.7
Total other comprehensive income for the period	**0.0**	**1.2**	**0.0**	**-11.2**	**0.0**	**-10.0**	**1.2**	**-8.8**
Transactions with the equity holders								
Interim dividends paid to shareholders	-	-	-	-	-	0,0	-0,7	-0,7
Total transactions with the equity holders	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-0.7**	**-0,7**
Equity at 31 December 2016	**115.9**	**-2.4**	**-3.2**	**-23.5**	**0.0**	**86.8**	**2.2**	**89.0**

No ordinary dividends are proposed for 2016.

EURm	Share capital	Trans-lation-reserve	Treasury shares	Retained earnings	Proposed dividend for the year	SFG's share of equity	Non-controlling interests	Total equity
Equity at 1 January 2015	**115.9**	**-7.3**	**-3.2**	**-8.4**	**0.0**	**97.0**	**2.4**	**99.4**
Comprehensive income for the year								
Loss for the year	-	-	-	-4.0	-	-4.0	0.6	-3.4
Other comprehensive income								
Foreign currency translation adjustments, foreign entities	-	3.7	0.0	-	-	3.7	0.2	3.9
Actuarial gain/(losses), defined benefit obligations	-	-	-	0.1	-	0.1	0.0	0.1
Tax on other comprehensive income	-	-	-	0.0	-	0.0		0.0
Total other comprehensive income	-	3.7	0.0	0.1	0.0	3.8	0.2	4.0
Total comprehensive income for the year		**3.7**	**0.0**	**-3.9**	**0.0**	**-0.2**	**0.8**	**0.6**
Transactions with the equity holders								
DivIdends paid to non-controlling interests	-	-	-	-	-	-	-1.5	-1.5
Total transactions with the equity holders	**-**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-1.5**	**-1.5**
Equity at 31 December 2015	**115.9**	**-3.6**	**-3.2**	**-12.3**	**0.0**	**96.8**	**1.7**	**98.5**

No ordinary dividends are proposed for 2015.

CONSOLIDATED CASH FLOW STATEMENT

EURm	Note	**31.12.16**	31.12.15
Cash flows from operating activities			
Operating profit/loss		-3.7	1.8
Adjustment for:			
Depreciation, amortisation and impairment losses	3.1,3.2	21.9	7.7
Gain on divestment of Records Management activities	4.10	-12.2	-
Other non-cash items	4.9	1.5	-1.8
Change in working capital	4.8	3.8	10.2
Interest paid		-1.7	-2.0
Interest received		0.1	0.3
Corporate tax paid		-5.1	-3.7
Net cash flow from operating activities		**4.6**	**12.5**
Cash flows from investing activities			
Dividends received from associates		0.2	0.1
Investments in intangible assets and property, plant and equipment	3.1,3.2	-5.7	-3.5
Proceeds from sale of non-current assets		0.4	2.5
Divestment of Records Management activities	4.10	13.4	-
Change in non-current investments		0.3	0.5
Net cash flow from investing activities		**8.6**	**-0.4**
Net cash flow from operating and investing activities		**13.2**	**12.1**
Cash flows from financing activities			
Proceeds from borrowings		2.4	34.7
Repayment of borrowings		-1.7	-34.0
Capitalised financing and legal expenses		-0.3	-0.2
Dividends paid out to non-controlling interests in subsidiaries		-0.7	-1.5
Net cash flow from financing activities		**-0.3**	**-1.0**
Changes in cash and cash equivalents		**12.9**	**11.1**
Cash and cash equivalents at beginning of year		30.5	18.7
Translation adjustments of cash and cash equivalents		0.2	0.7
Cash and cash equivalents at end of year		**43.6**	**30.5**

01 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements of the Santa Fe Group for 2016 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

1.1 GENERAL INFORMATION

The Santa Fe Group A/S (the Company) and its subsidiaries (together the Santa Fe Group or the Group) provide moving, value-added relocation and records management services to corporate clients and individuals.

The Company is a limited liability company incorporated and domiciled in Denmark. The address of its registered office is 20 Indiakaj, DK-2100 Copenhagen Ø, Denmark.

The annual report comprises both consolidated financial statements and separate Parent Company financial statements.

The Company has its listing on NASDAQ Copenhagen A/S.

On 2 March 2017, the Board of Directors approved this annual report for publication and approval by the shareholders at the annual general meeting to be held on 27 March 2017.

The financial statements are presented in EUR million unless otherwise stated.

The Group's subsidiaries and associates are listed on pages 82-83.

1.2 CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

The Group has adopted the IFRS standards and amendments that are effective from 1 January 2016. None of these have affected recognition and measurement. The Group has not adopted early any other standard, interpretation or amendment that has been issued but is not yet effective.

New accounting regulation for the coming years is disclosed in note 1.5.

Change in Operating Segments
In order to align the financial reporting with the management structure and internal management reporting, Santa Fe Group has effective 1 January 2016 changed the operating segments and added Americas (USA, Canada and Latin America) as a separate operating segment. Furthermore, Middle East and Africa are now included in the Asia region and excluded from Europe.

Reconciliation items in "Corporate and unallocated items" are primarily related to corporate costs and corporate assets including cash and cash equivalents held by the Parent company and the Group functions in London.

Comparatives have been restated accordingly.

Change in Special Items definition
Special items include significant income and expenses that cannot be attributed directly to the Group's ordinary operating activities.

Special items include restructuring cost associated with major organisational changes within the Santa Fe Group including fundamental structural, procedural and managerial reorganisations, restructuring cost relating to acquisition and divestment of enterprises and major gains or losses arising from disposals of assets that have a material effect in the reporting period and other significant non-recurring items.

Comparatives have been restated accordingly which included a reclassification of a realised gain on divestment of a warehouse in Singapore during 2015 of EUR 2m (reclassified from other operating income).

1.3 CONSOLIDATED FINANCIAL STATEMENTS

Subsidiaries
Subsidiaries are entities over which the Santa Fe Group has control.

The Santa Fe Group has control over an entity, when the Group is exposed to or has rights to variable returns from its involvement in the entity, and has the ability to affect those returns through its power over the entity.

Only potential voting rights that are considered to be substantive at the balance sheet date are included in the control assessment.

Subsidiaries are fully consolidated from the date on which control is transferred to the Santa Fe Group. They are deconsolidated from the date on which control ceases.

Intercompany transactions, balances and unrealised gains on transactions between consolidated companies are eliminated.

The acquisition method
The consideration transferred for an acquisition is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition.

If part of the consideration is contingent on future events, such consideration is recognised in cost at fair value. Subsequent changes in the fair value of contingent consideration are recognised in the income statement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

A positive excess (goodwill) of the consideration transferred (including any previously held equity interests and any non-controlling interests in the acquired business) over the fair value of the identifiable net assets acquired is recorded as goodwill. Costs directly attributable to the acquisition are expensed as incurred.

If uncertainties regarding identification or measurement of acquired assets, liabilities or contingent liabilities or determination of the consideration transferred exist at the acquisition date, initial recognition will be based on provisional values. Any adjustments in the provisional values are adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures are restated.

1.4 FOREIGN CURRENCY TRANSLATION

Items included in the financial statements of each of the Santa Fe Group's entities are measured using the currency of the primary economic environment in which the entity operates ('functional currency'). The Santa Fe Group is a Danish listed group, however the consolidated financial statements are presented in EUR ('presentation currency') representing the predominant functional currency within the Santa Fe Group.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency translation adjustments resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Santa Fe Group companies
The items of the income statements and balance sheets of foreign subsidiaries with a functional currency other than EUR are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing rate at the date of the balance sheet;

(ii) income and expenses are translated at the rate of the transaction date or at an approximate average rate; and

(iii) all resulting foreign currency translation adjustments are recognised as a separate component of equity.

Foreign currency translation adjustments of a loan or payable to subsidiaries which are neither planned nor likely to be settled in the foreseeable future and which are therefore considered to form part of the net investment in the subsidiary are recognised directly in other comprehensive income.

When a foreign operation is disposed or a significant capital reduction in a foreign operation is effected, the Santa Fe Group's share of accumulated foreign exchange adjustments are recycled from other comprehensive income and recognised in the income statement as part of the gain or loss on the sale.

Goodwill arising on the acquisition of a foreign entity is treated as an asset of the foreign entity and translated at the foreign exchange rate at the balance sheet date.

1.5 FORTHCOMING ACCOUNTING REGULATION

The IASB has issued the following new accounting standards (IFRS and IAS) and interpretations (IFRIC), which are not mandatory for the Santa Fe Group in the preparation of the annual report for 2016:

- IFRS 9, IFRS 14, IFRS 15, amendments to IAS 1, IAS 16, IAS 27, IAS 28, IAS 38, IAS 39, IAS 41, IFRS 7, IFRS 9, IFRS 10, IFRS 11, IFRS 12 and annual improvements to IFRSs cycle 2012-2015

Of the above, IFRS 9, IFRS 14, IFRS 15, amendments to IAS 28, IFRS 10 and IFRS 12 have not yet been endorsed by the EU.

The Santa Fe Group expects to adopt the new accounting standards and interpretations when they become mandatory according to the effective dates adopted by the EU. Apart from note disclosure requirements, none of the new standards or interpretations are expected to have a significant impact on recognition and measurement for the Santa Fe Group, though the analysis of the expected impact from the implementation of IFRS 9 and IFRS 15 have not yet been completed, as further described below:

- IFRS 9 Financial Instruments, which replaces IAS 39, changes the classification and thus also the measurement of financial assets and liabilities. The classification under IFRS 9 is based on a more logic approach closely related to the Group's business model and the characteristics of the underlying cash flows. Further, a new impairment model is introduced for financial assets, according to which impairment is based on expected loss. IFRS 9 is expected to become mandatory for the Santa Fe Group's annual report for 2018. The impact of adopting IFRS 9 is expected to be limited; however, it is undetermined at this point.

- IFRS 15 Revenue from Contracts with Customers was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The new standard replaces all current accounting standards and interpretations on revenue recognition and is expected to become mandatory for the Santa Fe Group's annual report for 2018. A detailed impact analysis of adopting IFRS 15 has not yet been carried out; however, the impact is expected to be limited.

- IFRS 16 Leases was issued in January 2016 and will be effective for reporting periods beginning on 1 January 2019 or later. The standard will significantly change the accounting treatment of leases that under the current IAS 17 are classified as operating leases. IFRS 16 requires that all leases irrespective of their type, with only few exceptions, are recognised in the balance sheet by the lessee as an asset with a corresponding liability. The income statement will also be impacted as the annual lease expenses under IFRS 16 will consist of two elements - depreciation on the leased assets and interest expenses. Under the current standard, the annual expenses from operating leases are recognised as other external expenses. The Santa Fe Group has not yet made a thorough impact assessment of the new standard. However, it is expected that IFRS 16 will have material impact, as the group's minimum lease payments related to operating leases (primarily warehouses, offices, vehicles and office equipment, etc.) amount to approximately EUR 59.7m (undiscounted) at year-end 2016 (refer to note 5.4), which potentially should be recognised in the balance sheet.

1.6 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In connection with the preparation of the consolidated financial statements, Management has made accounting estimates and judgements affecting the assets and liabilities reported at the balance sheet date as well as the income and expenses reported for the financial period.

Management continuously reassesses these estimates and judgements based on a number of factors in the given circumstances. The following **accounting estimates** are considered significant for the financial reporting.

- The Group operates globally with revenue and associated cost consisting of a large number of contracts with both companies and individuals.

  The Group's revenue streams are divided into the following business lines; Moving Services, Relocation Services and Records Management. The revenue recognition criteria vary between the individual business lines.

  The individual jobs performed by Santa Fe Group typically span over several weeks and sometimes even months, and at the close of accounting periods significant accounting estimates and judgements are made regarding services in progress where cut-off criteria have been established to ensure revenue and cost are matched and recorded in the correct period. For open jobs, revenue and cost are based on accruals supported by system generated reports and contain an element of estimation. Subsequent follow-up against actual invoicing is continuously performed.

- The Santa Fe Group carries out impairment tests of goodwill and trademarks with an indefinite useful life once a year and of non-current assets in general when events or other circumstances indicate impairment. In recent years, the Group has recognised significant impairment losses related to goodwill and trademarks. In connection with the impairment testing, Management makes significant estimates when determining various assumptions, including expectations for future cash flows, discount factors and future growth rates. The sensitivity to changes in the above assumptions may in the aggregate and individually be considerable as disclosed in note 3.1. The carrying amount of goodwill and trademarks at the balance sheet date is EUR 50.7m (2015: EUR 63.5m) after recognition of an impairment of the WridgWays trademark of EUR 12m and customer relations of EUR 2.8m related to the activities in Wridgways Australia Ltd. in 2016 (2015: EUR 0m). For further information, refer to note 3.1.

1.7 GOING CONCERN

According to the regulations for preparation of financial statements, the Management is required to determine whether the financial statements can be presented on a ‘going concern’ basis. Based on estimated future prospects, expectations of future cash flow, availability of credit facilities, etc., Management has concluded that there are no factors giving reason to doubt whether the Santa Fe Group can and will continue operations for at least 12 months from the balance sheet date.

02 RESULT FOR THE YEAR

The section provides a description of consolidated operating profit including special items. The consolidated operating profit is based on our business segments described below. Reference is also made to the comments on the profit development of the Group in the Financial Review on page 18-21.

2.1 OPERATING SEGMENTS

§ Accounting policies

The presentation of operating segments for the Santa Fe Group reflects the Group's regional management structure (Europe, Asia, Australia and Americas) in line with the internal management reporting.

Information about operating segments is provided in accordance with the Group's accounting policies.

Segment revenue and cost and segment assets and liabilities comprise items which are directly attributable to the individual segment and certain allocated items. Corporate and unallocated activities primarily comprise corporate and administrative Group functions in London and in the Parent company, non-core and dormant entities awaiting liquidation.

Reconciliation items in "Corporate and unallocated activities" are primarily related to corporate costs and corporate assets including cash and cash equivalents held by the Group holding company in London and the Parent company.

	Europe		Asia		Australia		Americas		Santa Fe Group (Reportable segment)		Corporate and unallocated activities		Santa Fe Group	
EURm	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Income statement														
Total revenue	182.1	207.6	142.3	148.6	60.3	72.7	11.4	10.8	396.1	439.7	-	-	396.1	439.7
Internal revenue	26.0	31.3	26.8	28.7	2.6	3.3	2.1	2.8	57.5	66.1	-	-	57.5	66.1
External revenue	**156.1**	**176.3**	**115.5**	**119.9**	**57.7**	**69.4**	**9.3**	**8.0**	**338.6**	**373.6**	**-**	**-**	**338.6**	**373.6**
Operating profit before amortisation, depreciation, impairment and special items (EBITDA before special items)	**4.2**	**2.1**	**15.1**	**15.3**	**-4.3**	**-3.1**	**-0.3**	**0.1**	**14.7**	**14.4**	**-4.1**	**-4.2**	**10.6**	**10.2**
Special items, net	-2.8	-0.9	12.5	1.6	-0.8	-0.7	-	-	8.9	0.0	-1.3	-0.7	7.6	-0.7
Amortisation and depreciation	2.3	2.3	1.8	2.2	3.0	3.2	0.0	0.0	7.1	7.7	0.0	0.0	7.1	7.7
Impairment	-	-	-	-	14.8	-	-	-	14.8	-	-	-	14.8	-
Reportable segment operating profit/loss(EBIT)	**-0.9**	**-1.1**	**25.8**	**14.7**	**-22.9**	**-7.0**	**-0.3**	**0.1**	**1.7**	**6.7**	**-5.4**	**-4.9**	**-3.7**	**1.8**
Financials, net	-1.1	-3.5	0.0	0.7	0.0	-0.7	-0.3	0.0	-1.4	-3.5	-1.0	0.1	-2.4	-3.4
Share of profit from associates	0.0	0.0	-	-	-	-	-	-	0.0	0.0	0.2	0.6	0.2	0.6
Profit/loss before tax	**-2.0**	**-4.6**	**25.8**	**15.4**	**-22.9**	**-7.7**	**-0.6**	**0.1**	**0.3**	**3.2**	**-6.2**	**-4.2**	**-5.9**	**-1.0**
Income tax expense	0.2	-0.8	4.0	3.5	0.4	-0.8	0.0	0.3	4.6	2.2	0.0	0.1	4.6	2.3
Reportable segment profit/loss from continuing operations	**-2.2**	**-3.8**	**21.8**	**11.9**	**-23.3**	**-6.9**	**-0.6**	**-0.2**	**-4.3**	**1.0**	**-6.2**	**-4.3**	**-10.5**	**-3.3**
Discontinued operations												-0.1		-0.1
Net profit/loss for the year	**-2.2**	**-3.8**	**21.8**	**11.9**	**-23.3**	**-6.9**	**-0.6**	**-0.2**	**-4.3**	**1.0**	**-6.2**	**-4.4**	**-10.5**	**-3.4**

2.1 OPERATING SEGMENTS (CONTINUED)

	Europe		Asia		Australia		Americas		Santa Fe Group (Reportable segment)		Parent and unallocated activities		Santa Fe Group	
EURm	**2016**	2015	**2016**	2015	**2016**	2015			**2016**	2015	**2016**	2015	**2016**	2015
Balance sheet														
Segment assets	116.8	122.1	71.4	73.7	21.6	39.5	2.9	2.7	212.7	238.0	22.0	3.3	234.7	241.3
Investment in intangible assets and property, plant and equipment	0.6	1.4	1.0	1.8	0.3	0.5	0.0	0.0	1.9	3.7	4.1	0.1	6.0	3.8
Investment in associates	0.0	0.0	-	-	-	-	-	-	0.0	0.0	3.4	3.3	3.4	3.3
Segment liabilities	51.0	52.5	34.8	34.3	17.7	16.3	2.2	2.1	105.7	105.2	40.0	37.6	145.7	142.8

Revenue by business lines and segments	**2016**					2015				
EURm	Europe	Asia	Australia	Americas	**Santa Fe Group**	Europe	Asia	Australia	Americas	**Santa Fe Group**
Moving Services	125.6	80.5	55.7	6.1	267.9	145.0	85.9	66.8	5.4	303.1
Relocation Services	29.7	16.9	2.0	3.2	51.8	30.6	18.0	2.6	2.6	53.8
Records Management	0.8	18.1	-	-	18.9	0.7	16.0	-	-	16.7
Total revenue	**156.1**	**115.5**	**57.7**	**9.3**	**338.6**	**176.3**	**119.9**	**69.4**	**8.0**	**373.6**

	External revenue		Non-current assets [1]	
EURm	**2016**	2015	**2016**	2015
Australia	57.7	69.4	5.0	22.0
UK	43.1	59.0	0.8	2.2
Germany	29.5	32.5	1.2	1.6
Hong Kong	28.8	29.0	12.1	13.3
France	28.4	28.2	7.0	7.2
China	23.0	25.5	5.1	5.5
Singapore	18.0	18.7	0.6	0.9
Other [2]	110.1	111.3	54.3	57.3
Total operating segments	**338.6**	**373.6**	**86.1**	**110.0**

[1] Excluding deferred tax assets.

[2] Countries and unallocated non-current assets

2.2 REVENUE RECOGNITION

§ Accounting policies

Revenue comprises the fair value for the sale of services, net of value-added tax, rebates and discounts and after elimination of intercompany sales in the Santa Fe Group.

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction (typically related to moving and relocation services).

Income related to records management is recognised on an accrual basis in accordance with the agreements.

Dividend income is recognised when the right to receive payment has been established.

2.3 DIRECT COSTS

§ Accounting policies

Direct cost comprise costs incurred to generate the revenue for the year, including subcontracted services, packaging materials, transportation and freight as well as expenses related to operation of warehouses and vehicles including maintenance.

2.4 OTHER EXTERNAL EXPENSES

§ Accounting policies

Other external expenses comprise expenses for advertising and marketing expenses, IT, travelling and communications, as well as operation of motor vehicles, office expenses and other selling costs and administrative expenses.

2.5 STAFF COST

§ Accounting policies

Staff cost include wages and salaries, pensions, social security cost and other staff cost. Staff cost are recognised in the financial year in which the employee renders the related service. Cost related to long term employee benefits, e.g. share-based payments, are recognised in the period to which they relate.

Staff costs and special items

EURm	**2016**	2015
Salaries and wages to employees	90.7	100.9
Salaries to the Executive Board of the Parent Company	1.2	1.7
Board fees to the Board of Directors of the Parent Company (fixed fee only)	0.2	0.2
Pension, defined contribution schemes	4.0	4.6
Pension, defined benefit schemes[1]	0.4	0.4
Social security costs	10.3	10.8
Other staff expenses	4.6	6.0
Total staff costs including special items	111.4	124.6
of which special items	-2.8	-2.0
Total staff cost	**108.6**	**122.6**
Of which compensation to the Executive Board		
Salaries and other short-term employee benefits	1.2	1.7
Equity-settled share-based payment[2]	0.0	0.0
Total	**1.2**	**1.7**

[1] For further see note 3.6
[2] For further see note 5.6

Employment contracts for members of the Executive Board contain terms and conditions that are common to those of their peers in companies listed on Nasdaq Copenhagen - including terms of notice and non-competition clauses.

Number of employees

Santa Fe Group, average	2,792	2,972
Santa Fe Group, end period	2,679	2,908

2.6 OTHER OPERATING INCOME

§ Accounting policies

Other operating income comprise items of a secondary nature to the Santa Fe Group's main activity, including gains and losses on the sale of intangible assets and property, plant and equipment.

2.7 SPECIAL ITEMS

§ Accounting policies

Special items include significant income and expenses that cannot be attributed directly to the Group's ordinary operating activities.

Special items include restructuring costs associated with major organisational changes within the Santa Fe Group including fundamental structural, procedural and managerial reorganisations, restructuring cost relating to acquisition and divestment of enterprises and major gains or losses arising from disposals of assets that have a material effect in the reporting period and other significant non-recurring items.

EURm	**2016**	2015
Gain on divestment of Records Management activities in 5 markets	12.2	-
Germany restructering costs	-1.5	-
Other European restructering	-1.6	-
Restructuring costs related to Fix the Core programme and other restructuring initiatives	-0.8	-0.8
Severance pay to former Group CEO and business unit CEO and other staff related costs in Copenhagen	-	-0.7
Restructuring costs, Australia (severance pay and closing of branches)	-0.8	-0.7
Onerous lease cost provision related to discontinued use of warehouses in France (2016-17)	0.1	-0.5
Gain on Singapore Warehouse	-	2.0
Total	**7.6**	**-0.7**

Special items, EUR 7.6m in total (EUR -0.7m), include severance pay as well as other staff costs of EUR 2.8m (EUR 2.0m) as further detailed above.

2.8 AMORTISATION AND DEPRECIATION FOR THE YEAR

§ Accounting policies

Amortisation and depreciation for the year are recognised based on the amortisation and depreciation profiles determined for the assets.

03 OPERATING ASSETS AND LIABILITIES

This section covers the operating assets and related liabilities that form the basis for the Santa Fe Group's activities. Intangible assets with associating impairment assessments and sensitivity tests are further detailed in note 3.1.

3.1 INTANGIBLE ASSETS

§ Accounting policies

Goodwill
In connection with the acquisition of subsidiaries, goodwill is determined in accordance with the acquisition method.

Goodwill is tested annually for impairment and measured at cost less accumulated impairment losses.

Goodwill is allocated to cash generating units for the purpose of impairment testing. Each of those cash generating units represents the investment of the business segments in each country or region of operation.

Brands, trademarks and licences
Brands, trademarks and licences with a definite useful life are measured at cost less accumulated amortisation and impairment losses. Amortisation is provided on a straight-line basis over the estimated useful lives of the assets.

Trademarks with an indefinite useful life are not amortised but tested annually for impairment.

Software
The cost of acquired software licences comprises the cost incurred to acquire and bring to use the specific software. These cost are amortised over their estimated useful lives on a straight-line basis.

Cost that are directly associated with the production of identifiable and unique software products controlled by the Santa Fe Group, and that will probably generate economic benefits are recognised as intangible assets. Such software development cost are amortised over their estimated useful lives.

Trademarks with finite useful life	Max. 20 years depending on the strength of the trademark and expected use
Software etc.	3-5 years
None-compete agreements	Max. 5 years depending on contractual terms
Supplier contracts	Max. 5 years depending on contractual terms
Customer relationships	3-15 years depending on customer loyalty track record

EURm	Goodwill	Trademarks [1]	Software	Other [2]	Total
2016					
Cost:					
01.01.	83.2	46.4	6.4	11.8	147.8
Translation adjustments	1.2	0.5	0.2	0.1	2.0
Additions	-	-	4.1	-	4.1
Disposals	-	-	0.2	-	0.2
31.12.	84.4	46.9	10.5	11.9	153.7
Amortisation/impairment:					
01.01.	32.8	33.3	5.7	4.6	76.4
Translation adjustments	0.9	0.1	0.1	0.0	1.1
Impairment for the year	-	12.0	-	2.8	14.8
Amortisation for the year	-	1.5	0.4	0.9	2.8
Disposals	-	-	0.2	-	0.2
31.12.	33.7	46.9	6.0	8.3	94.9
Carrying amount 31.12.	**50.7**	**0.0**	**4.5**	**3.6**	**58.8**

[1] The Wridgways (Australia) trademark has during 2016 been fully written off through amortisation of EUR 1.5m and impairment of EUR 12.0m.
[2] Other intangible assets are mainly related to customer relationships, supplier contracts and non-compete agreements.

3.1 INTANGIBLE ASSETS (CONTINUED)

EURm	Goodwill	Trademarks [1]	Software	Other [2]	Total
2015					
Cost:					
01.01.	82.6	46.5	5.9	11.7	146.7
Translation adjustments	0.6	-0.1	0.2	0.1	0.8
Additions	-	-	0.3	0.0	0.3
31.12.	83.2	46.4	6.4	11.8	147.8
Amortisation/impairment:					
01.01.	33.1	31.9	4.9	3.6	73.5
Translation adjustments	-0.3	-0.1	0.3	0.1	0.0
Amortisation for the year	-	1.5	0.5	0.9	2.9
31.12.	32.8	33.3	5.7	4.6	76.4
Carrying amount 31.12.	**50.4**	**13.1**	**0.7**	**7.2**	**71.4**

[1] The Wridgways (Australia) trademark amounting to EUR 13.1m (EUR 14.6m) is amortised over the useful life of 10 years as from 1 January 2015.
[2] Other intangible assets are mainly related to customer relationships, supplier contracts and non-compete agreements.

§ Accounting policies

Goodwill and assets with indefinite useful lives are subject to annual impairment tests. Other non-current assets are tested for impairment when there is an indication that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Impairment assessment of cash-generating units.
At 31 December 2016, Management completed the annual impairment testing of cash generating units to which goodwill is allocated. The impairment testing was done in Q4 2016 based on the budgets and business plans approved by the Board of Directors as well as other assumptions adjusted, as required to comply with IAS 36.

The carrying amount of goodwill and trademarks in the Group is attributable to the following cash-generating units:

EURm		Trademarks **2016**	Trademarks 2015	Goodwill **2016**	Goodwill 2015
Acquisition	**Country**				
Santa Fe Asia [1]	Asia	-	-	11.2	10.9
Wridgways Australia Ltd.	Australia	-	13.1	-	-
Interdean International Relocation Group [2]	EMEA	-	-	39.1	39.1
Other		-	-	0.4	0.4
Total		**0.0**	**13.1**	**50.7**	**50.4**

[1] 15 countries across Asia.
[2] 35 countries across Europe (including Russia) and Central Asia.

3.1 INTANGIBLE ASSETS (CONTINUED)

When performing impairment tests of cash-generating units, the recoverable amount calculated as the discounted value of expected future cash flows (value in use) is compared to the carrying amount of each of the cash-generating units.

For all cash-generating units, the key parameters are revenue, margins, working capital requirements, capital expenditures as well as assumptions of growth. The cash flows are based on budgets and business plans and cover the next five years. Projections for subsequent years (terminal value) are based on general market expectations and risks including general expectations of growth for the cash-generating units. The discount rates used to calculate the recoverable amount is the Group's internal WACC rate computed before and after tax and reflects specific risks relating to the businesses and underlying cash flows.

Key assumptions [3]		Revenue (CAGR) 2017-2021 (%)		EBITDA margin in the terminal period (%)		Growth in the terminal period (%)		Discount rates before tax (%)		Discount rates after tax (%)	
		2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Santa Fe Asia [1]	Asia	2.2	6.7	13.9	17.6	1.0	1.0	15.6	14.5	11.2	11.0
Wridgways Australia Ltd.	Australia	2.4	4.0	1.6	5.6	0.5	0.5	15.6	13.2	12.3	10.6
Interdean International Relocation Group [2]	EMEA	3.9	5.0	3.8	4.6	1.0	1.0	11.2	10.5	9.0	8.4

1 15 countries across Asia
2 35 countries across Europe (including Russia) and Central Asia.
3 The key assumptions applied in the impairment tests are used for accounting purposes and should not be considered a forward-looking statement.

For Australia, revenue growth is in the forecast period assumed below GDP growth (according to the Reserve Bank of Australia) reflecting the uncertain market conditions prevalent in Australia. For Europe the revenue growth is expected to be above the GDP growth (according to www.tradingeconomics.com) as result of expected gain of market share, an increased range of services sold to existing customers as well as an increase in relocation services driven by implementation of new contracts won in the latter part of 2016.

EBITDA margins are gradually assumed to improve from current levels over the forecast period to the levels assumed in the terminal period primarily driven by changed mix towards a higher share of relocation services (higher margin) as well as initiatives taken under the 'Fix the Core' programme as described on page 11-13. Some of the main drivers in Europe are the clustering of the country management into more agile units under one management which has reduced cost. Other cost saving initiatives relates to the use of warehouses in cheaper locations/countries including securing a higher utilisation of warehouses and off-shoring of certain back-office functions into Manila.

Working capital is assumed to decrease in 2017, which is linked to the continued effort to reduce overdue receivables.

Capital expenditures (maintenance) is assumed in line with annual depreciation. However, the CORE Technology programme (refer to page 11-13) will result in additional capital expenditures during the forecast period, which have been anticipated in the forecast. Growth in the terminal period is unchanged from last year – for Australia a terminal growth of 0.5% due to the challenging general market outlook.

Discount rates are based on the Group's internal WACC rate (determined using the Capital Asset Pricing Model) at year-end adjusted by a region-specific risk premium to reflect uncertainty related to projected revenue and earnings growth in light of recent years' track record for the cash-generating units.

Impairment of tradmarks and other intangibles
In 2016, Australia was impacted by the continued weak market conditions with intensive competition and pressure on margins. At 31 December 2016, the value in use calculation applying above key assumptions showed an impairment loss related to Wridgways Australia Ltd. in the amount of EUR 14.8m (in addition to EUR 37.4m recognised in 2013 and 2014), of which EUR 12.0m related to the WridgWays trademark and EUR 2.8m related to customer relations. Impairment losses have been recognised in the income statement in a separate line. Net of these impairment provisions, the carrying value of goodwill, trademark and other intangibles related to the WridgWays acquisition is now EUR 0m.

No impairment losses related to goodwill were identified during 2015.

Sensitivity test
In 2016, revenue in EMEA decreased by 6.1 per cent in local currencies, however earnings and EBITDA margins increased due to cost reductions related to the "Fix the Core" programme. At 31 December 2016, the recoverable amount of the cash-generating unit exceeds its carrying amount (including goodwill) by EUR 0.5m (EUR 28m). The drop in the recoverable amount is a combination of the revenue drop within Europe in 2016 and an increased WACC. Sensitivity tests show that a reasonably possible change in the key assumptions applied for EMEA, in each year of the forecast (2017-2021) and terminal period, will result in the recoverable amount of the cash-generating unit being below the carrying amount (including goodwill) as specified below.:

EURm	change	impairment
WACC	+0.25%	-1.6
Terminal growth	-0.25%	-1.1
Revenue growth	-1.00%	-2.4
EBITDA margin	-0.5pp	-12.1

For the other cash generating units, it is Management's assessment that reasonably possible changes in the key assumptions will not result in an impairment of goodwill and trademarks.

3.2 PROPERTY, PLANT AND EQUIPMENT

§ Accounting policies

Property, plant and equiqment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset when it is probable that future economic benefits associated with the item will flow to the Santa Fe Group, and the cost of the item can be measured reliably.

Land is not depreciated. Depreciation on other assets is provided on a straight-line basis over their estimated useful lives, as follows:

Buildings	20-30 years
Plant, etc.	20-30 years
Other installations	3-15 years
IT equipment	3 years

The cost of an asset is divided into separate components which are depreciated separately if their useful lives differ.

The assets' residual values and useful lives are reviewed and adjusted annually if appropriate.

EURm	Land and buildings etc.	Plant etc.	Other assets, installations, vehicles etc.	IT equipment	Construction in progress	Total
2016						
Cost:						
01.01.	19.6	0.0	37.3	2.3	0.0	59.2
Translation adjustment	0.3	0.0	0.2	0.1	0.0	0.6
Additions	0.1	0.5	0.9	0.3	0.1	1.9
Disposals	0.3	-	6.4	0.1	0.0	6.8
Reclassification to assets held for sale [1]	5.2	-	3.6	0.0	-	8.8
31.12.	14.5	0.5	28.4	2.6	0.1	46.1
Depreciation/impairment:						
01.01.	6.9	0.0	18.6	2.0	0.0	27.5
Translation adjustment	0.0	0.0	0.2	0.1	-	0.3
Depreciation for the year	0.7	0.1	3.3	0.2	-	4.3
Disposals	0.2	-	4.7	0.1	-	5.0
Reclassification to assets held for sale [1]	0.8	-	0.9	0.0	-	1.7
31.12.	6.6	0.1	16.5	2.2	0.0	25.4
Carrying amount 31.12.	**7.9**	**0.4**	**11.9**	**0.4**	**0.1**	**20.7**
Carrying amount of financial leases	5.3	-	2.4	-	-	7.7

[1] Fixed assets reclassified to asset held for sale relates to the divested Records Management activities in 5 countries not finally closed as at 31 December 2016. The assets are primarily a warehouse in Indonesia as well as rackings and other equipment in operational leased warehouses in other loacations.

EURm	Land and buildings etc.	Plant etc.	Other assets, installations, vehicles etc.	IT equipment	Construction in progress	Total
2015						
Cost:						
01.01.	19.3	0.0	35.3	2.2	0.2	57.0
Translation adjustment	0.3	-	1.4	0.1	0.0	1.8
Additions	0.6	-	2.8	0.2	0.0	3.6
Disposals	0.8	-	2.1	0.2	0.0	3.1
Reclassification	0.2	-	-0.1	0.0	-0.2	-0.1
31.12.	19.6	0.0	37.3	2.3	0.0	59.2
Depreciation/impairment:						
01.01.	6.4	0.0	16.2	1.9	0.0	24.5
Translation adjustment	0.2	-	0.8	0.1	-	1.1
Depreciation for the year	0.9	-	3.7	0.2	-	4.8
Disposals	0.6	-	1.9	0.2	-	2.7
Reclassification	0.0	-	-0.2	0.0	-	-0.2
31.12.	6.9	0.0	18.6	2.0	0.0	27.5
Carrying amount 31.12.	**12.7**	**0.0**	**18.7**	**0.3**	**0.0**	**31.7**
Carrying amount of financial leases	5.4	2.5	0.0	-	-	7.9

The Santa Fe Group was 31 December 2016/15 not contractually committed to any future investments related to property, plant and equipment.

3.3 LEASES

§ Accounting policies

Leases of property, plant and equipment, where substantially all the risks and rewards of ownership are transferred to the Group, are classified as finance leases.

Finance leases are treated as described under property, plant and equipment and the related obligation as described under financial liabilities.

All other leases are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of benefits.

3.4 TRADE RECEIVABLES

§ Accounting policies

Trade receivables are recognised at the trade date, initially measured at fair value and subsequently at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Santa Fe Group will not be able to collect all amounts due according to the original terms of the receivables.

EURm	**2016**	2015
Trade receivables (gross)	61.0	65.3
Allowances for doubtful trade receivables:		
Balance at the beginning of the year	1.1	1.0
Translation adjustment	0.0	0.0
Additions during the year	0.9	0.6
Realised losses during the year and reversals	0.9	0.5
Balance at the end of year	1.1	1.1
Total trade receivables	**59.9**	**64.2**

No significant losses were incurred in respect of individual trade receivables in 2016 and 2015. Generally, no security is required from customers regarding sales on credit. Credit risk is further described in note 4.5.

3.5 OTHER RECEIVABLES

EURm	**2016**	2015
Work in progress	17.5	13.4
Other receivables	11.8	11.5
Prepayments	3.7	6.7
Total	**33.0**	**31.6**

3.6 EMPLOYEE BENEFITS

§ Accounting policies

Pension obligations
Santa Fe's pension plans are primarily defined contribution plans.

For defined benefit plans, the actuarial present value (projected unit credit method) of future benefits under the defined benefit plan less the fair value of any plan assets is recognised in the balance sheet as defined benefit obligations. Pension cost for the year are recognised in the income statement based on actuarial estimates at the beginning of the year. Actuarial gains or losses are recognised in other comprehensive income.

Defined benefit obligations

The Santa Fe Group participates as employer in pension plans depending on local regulations. Usually these pension plans are defined contribution plans, however following the acquisition of Interdean in 2011 also some defined benefit plans in Switzerland, where the Santa Fe Group has an obligation to provide agreed benefits to employees upon their retirement.

EURm	**2016**	2015
Fair value of plan assets	-2.7	-6.0
Present value of obligations	4.4	8.3
Net liability recognised (funded plans) 31.12.	**1.7**	**2.3**

The plan assets consist primarily of insurance contracts, but also equity securities and cash (no treasury shares).

The net liability is on actuarial calculations applying assumptions regarding primarily discount rate, expected return on plan assets, future salary increases and future pension increases.

The discount rate applied is 0.90% (1.25%) and determined on basis of corporate bonds with a high credit rating (AA or AAA). A change in the discount rate of +/- 0.25 basis points would decrease/increase the liability by EUR 0.2m (EUR 0.3m).

The future salary is assumed to increase by 2.0% p.a. (2.0%) if future salary increases by an additional 0.25% p.a., it would increase the liability by less than EUR 0.1m (less than EUR 0.1m).

Other long-term benefits
A number of employees are covered by a long-service benefit plan including jubilee benefits. The liability recognised in the balance sheet is the present value of the obligation at the balance sheet date calculated using the projected unit credit method.

3.7 OTHER LIABILITIES

EURm	2016	2015
Other liabilities of origin:		
Staff payables	9.6	12.1
Duties to public authorities	3.7	3.2
Deferred income	7.3	7.7
Other accrued expenses	14.6	18.4
Total	**35.2**	**41.4**

3.8 PROVISIONS

§ Accounting policies

Provisions are recognised when the Santa Fe Group has a legal or constructive obligation as a result of past events and it is more probable than not that there will be an outflow of resources embodying economic benefits to settle the obligation. The amount recognised as a provision is Management's best estimate of the present value of the amount at which the liability is expected to be settled.

Provisions for other liabilities and charges

EURm	Other provisions	Employee benefits	2016	Other provisions	Employee benefits	2015
01.01.	0.7	1.5	2.2	0.4	1.3	1.7
Translation adjustment	0.0	0.0	0.0	0.1	0.1	0.2
Utilised	0.3	0.2	0.5	0.4	0.1	0.5
Reversed	0.2	0.0	0.2	-	0.0	0.0
Additions	2.7	0.4	3.1	1.1	0.2	1.3
Reclassified from other payables	2.9	-	2.9	-0.5	-	-0.5
31.12.	**5.8**	**1.7**	**7.5**	**0.7**	**1.5**	**2.2**
Non-current	2.8	1.7	4.5	0.2	1.5	1.7
Current	3.0	-	3.0	0.5	-	0.5
	5.8	**1.7**	**7.5**	**0.7**	**1.5**	**2.2**

Other provisions primarily consists of provisions linked to acquisitions, potential warranty claims related to divestments and potential customer claims.

04 CAPITAL STRUCTURE AND FINANCING ITEMS

This section describes how Santa Fe Group manages its capital structure, cash position and related risks and items. The Group's financial risks, including its credit and liquidity risks are described in more detail in note 4.5.

4.1 SHAREHOLDERS' EQUITY

§ Accounting policies

Dividend distribution to the Company's shareholders is recognised as a liability at the time when the dividends are approved by the Company's shareholders. Dividends proposed for the year are disclosed separately in equity.

Treasury shares are recognised directly in equity in the reserve for treasury shares at par value. The difference between par value and the acquisition price and consideration (net of directly attributable transaction cost) and dividends on treasury shares are recognised directly in equity in retained earnings.

The translation reserve comprises foreign exchange differences arising on translation to EUR of financial statements of foreign entities.

Capital and treasury shares	Shares of DKK 70	Nominal value DKK '000	Nominal value EUR '000
01.01.2015	12,348,060	864,364	115,862
31.12.2015 / 01.01.2016	**12,348,060**	**864,364**	**115,862**
31.12.2016	**12,348,060**	**864,364**	**115,862**

As at 31 December 2016, the share capital included 1,139 (1,139) half shares.

Treasury shares	Shares of DKK 70	Nominal value DKK '000	Nominal value EUR '000	% of share capital
01.01.2015	338,494	23,695	3,176	2.74
31.12.2015 / 01.01.2016	**338,494**	**23,695**	**3,176**	**2.74**
31.12.2016	**338,494**	**23,695**	**3,176**	**2.74**

105,300 shares of the treasury shares (109,300) are held to cover the share option programme of the Group as described in note 5.6.

The Board of Directors has been authorised to allow the Santa Fe Group to acquire treasury shares in the period until the next Annual General Meeting up to a combined nominal value of 10% of the share capital; as permitted under section 48 of the Danish Companies Act. The purchase price may not deviate by more than 10 per cent from the official price quoted on NASDAQ Copenhagen at the time of acquisition.

Earnings per share

EURm	**2016**	2015
Profit/loss from continuing operations	-10.5	-3.3
Non-controlling interest	1.3	0.6
SFG's share of profit from continuing operations	-11.8	-3.9
Profit/loss from discontinued operations	0.0	-0.1
Non-controlling interest	-	-
SFG's share of profit from discontinued operations	0.0	-0.1
Average number of shares outstanding	12,348,060	12,348,060
Average number of own shares	338,494	338,494
Average number of shares excluding own shares	12,009,566	12,009,566
Average dilution effect of outstanding options	0.0	0.0
Diluted average number of shares	**12,009,566**	**12,009,566**

At 31 December 2016, all of the outstanding share options are out-of-the-money.

Outstanding share options, as further explained in note 5.6, may dilute EPS in the future.

EURm	**2016**	2015
Earnings per share (EUR)	**-1.0**	**-0.3**
from continuing operations	-1.0	-0.3
from discontinued operations	0.0	0.0
Earnings per share diluted (EUR)	**-1.0**	**-0.3**
from continuing operations	-1.0	-0.3
from discontinued operations	0.0	0.0

4.2 FINANCIAL INCOME AND EXPENSE

§ Accounting policies

Financial income and expenses comprise interest income and expenses, changes in the fair value of securities and derivative financial instruments not acquired for hedging purposes, exchange gains and losses on debt and transactions in foreign currencies, as well as amortisation of financial assets and liabilities, etc.

Financial income/expenses

EURm	**2016**	2015
Interest income on financial assets measured at amortised cost	0.1	0.1
Foreign exchange gains transferred from other comprehensive income	0.2	0.0
Dividends from shares, external	0.0	0.2
Other interest income	0.1	0.1
Total financial income	**0.4**	**0.4**
Interest expenses and fees on financial liabilities measured at amortised cost	1.7	2.0
Foreign exchange losses, net	1.1	1.8
Total financial expenses	2.8	3.8
Total, net	**-2.4**	**-3.4**

4.3 FINANCIAL INSTRUMENTS BY CATEGORY

The fair value of financial instruments traded in active markets (e.g. publicly traded available-for-sale securities) is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined by using generally accepted valuation techniques based on observable input from active markets exclusive of trading in unquoted markets. The fair value of financial liabilities for disclosure purposes is estimated by discounting future contractual cash flows at the current market interest rate.

Financial instruments by category

EURm	**2016**	2015
Available for sale financial assets measured at fair value		
Other investments (fair value is not based on observable market data, but is based on the net present value of expected future cash flow using a discount factor of 6 % p.a. (6% p.a.))	1.7	1.8
Total	**1.7**	**1.8**
Financial assets measured at amortised cost		
Trade receivables	59.9	64.2
Other receivables [1], non-current and current	25.3	21.7
Bank and cash balances	43.6	30.5
Total	**128.8**	**116.4**
Financial liabilities measured at amortised cost		
Non-current borrowings	28.7	38.4
Bank loans, current, etc.	12.5	1.7
Trade payables	56.3	52.6
Other liabilities [2], current	11.8	17.1
Total	**109.3**	**109.8**

1 Excluding non financial instruments such as prepayments, staff receivables etc. of EUR 9.2m (EUR 11.7m).
2 Excluding non financial instruments such as public debt, staff payables etc. of EUR 23.4m (EUR 24.5m).

The fair value of the financial instruments are approximately equal to the carrying amount.

For trade receivables and payables as well as other receivables and payables this is due to the short term nature of these balances. For non-current borrowings and bank loans this is based on floating interest rate based balances and assumed minimal changes in credit risk.

4.4 FINANCIAL LIABILITIES

§ Accounting policies

Financial liabilities are initially recognised at fair value (typically the amount of the proceeds received), net of transaction costs incurred. In subsequent periods, the financial liabilities are measured at amortised cost; any difference between the cost (the proceeds) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Financial liabilities also include the outstanding obligation under finance leases, measured at amortised cost.

Financial liabilities are classified as current liabilities unless the Santa Fe Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

At 31 December 2016/2015 all non-current and current borrowings are floating interest based. The borrowings are exposed to interest rate and currency risk, refer to note 4.5. Financial covenants are described in note 4.5 under liquidity risk.

The Santa Fe Group has entered into financial lease contracts of which the main contract is related to a warehouse lease in France with a finance lease liability (present value of minimum lease payments) of EUR 3.8m (2015: EUR 4.2m)

Finance lease liabilities are payable as listed above. The carrying amount of financially leased assets is disclosed in note 3.2.

Borrowings (financial liabilities)

EURm	**2016**	2015
Non-current borrowings:		
Bank loans [1]	20.8	30.0
Mortgage loans	4.1	4.2
Finance lease liabilities	3.8	4.2
Total	**28.7**	**38.4**
Current borrowings:		
Bank loans	11.7	0.9
Finance lease liabilities	0.8	0.8
Total	**12.5**	**1.7**
Total borrowings	**41.2**	**40.1**
Maturity of current and non-current borrowings:		
Less than one year	12.2	1.7
Between one and five years	26.9	36.3
More than five years	2.1	2.1
Total	**41.2**	**40.1**

[1] Including capitalised financing and legal expenses of EUR 0.4m (EUR 0.3m)

Finance lease liabilities		**2016**			2015	
EURm	Future minimum lease payments	Interests	Present value of minimum lease payments	Future minimum lease payments	Interests	Present value of minimum lease payments
Less than one year	0.9	0.1	0.8	0.9	0.1	0.8
Between one and five years	2.0	0.3	1.7	2.5	0.4	2.1
More than five years	2.4	0.3	2.1	2.4	0.3	2.1
	5.3	**0.7**	**4.6**	**5.8**	**0.8**	**5.0**

4.5 CREDIT RISK, LIQUIDITY RISK, CURRENCY RISK AND INTEREST RATE RISK

Group policy for managing risk and capital
Given the international scope of The Santa Fe Group's business activities, the Group is exposed to financial market risk, i.e. the risk of losses as a result of adverse movements in exchange rates and interest rates. The Group is also exposed to financial counterparty credit risk, liquidity and funding risk.

The Santa Fe Group's financial risk management activities are centralised and co-ordinated within a policy framework approved by the Board of Directors. It is the Group's policy not to engage in any active speculation in financial risks. Therefore, the Group's financial management is focused on managing or reducing financial risks relating to operations and funding, in particular on reducing the volatility of The Santa Fe Group's cash flows in local currencies. The Group currently does not apply any material financial derivatives for hedging.

There are no changes to the Group's risk exposure and risk management compared to 2015.

The Board of Directors reviews the Group's capital structure on an ongoing basis to ensure that the capital structure is appropriate, relative to the Group's commitments, strategy and future prospects. The Board of Directors considers that the current capital structure is appropriate to facilitate necessary investments.

Santa Fe will aim to maintain a financial gearing (NIBD/EBITDA before special items) below 2. Free Cash Flow will be allocated to reduce debt if the financial gearing exceeds target. Whenever the financial gearing is within range, Free Cash Flow will be held for investments, value creating acquisitions or allocated to shareholders. Allocation to shareholders will primarily be in the form of share buybacks.

Credit risk
Credit risk is the risk of financial loss to the Group, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from trade and other receivables and cash and cash equivalents.

The Santa Fe Group has no significant concentration of credit risk. The Group has policies in place that ensure sales of services are made to customers with an appropriate credit history. The customer mix within the Group contains an increasing proportion of financially strong corporate clients, however these are given longer payment terms. Private customers, which are significant to the Australian business, generally pay in advance and do not pose a significant credit risk. Generally, no security is required from customers regarding sales on credit. The credit quality of receivables that are neither past due nor impaired is assessed as high. Historically losses related to trade receivables have been limited, which is reflected by an allowance for doubtful trade receivables of only 1.8% (1.7%) of gross trade receivables. During 2016 several initiatives initiated during 2015 have continued in order to reduce the balance of overdue receivables including new procedures for invoicing, stricter internal credit control and follow up procedures as well as a tighter credit policy. This has resulted in a reduction of overdue receivables as percentage of gross trade receivables by the end of 2016 to 26% (2015: 27%) and further improvements are anticipated during 2017.

The credit risk lies in the potential insolvency of a counterpart and is thus equal to the sum of the positive net market values in respect of the corresponding business partners. At the balance sheet date, the total credit risk amounts to EUR 128.7m (EUR 116.4m) corresponding to the amounts of trade and other receivables in addition to cash and cash equivalents recognised in the balance sheet.

The available funds (cash and cash equivalents) of the Group are placed as demand or time deposits at relatively short terms. The Group is exposed to the risk that financial counterparties may default on their obligations towards the Santa Fe Group. This risk is managed by having maximum exposure limits on each financial counterparty.

Trade receivables past due compound as follows:

		month (due)					
EURm	not due	0 - 1	1 - 2	2 - 3	3 - 6	> 6	**31.12.2016**
Receivables, not due	44.5						44.5
Receivables past due but not impaired		4.7	3.6	2.6	3.6	0.9	15.4
							59.9
In % of receivables not due and due but not impaired	74	8	6	4	6	2	
Impaired receivables past due						1.1	1.1
							61.0
Allowances for doubtful trade receivables							-1.1
Total trade receivables (net)							**59.9**

		month (due)					
EURm	not due	0 - 1	1 - 2	2 - 3	3 - 6	> 6	**31.12.2015**
Receivables, not due	46.7						46.7
Receivables past due but not impaired		6.5	4.3	2.7	3.2	0.8	17.5
							64.2
In % of receivables not due and due but not impaired	73	10	7	4	5	1	
Impaired receivables past due						1.1	1.1
							65.3
Allowances for doubtful trade receivables							-1.1
Total trade receivables (net)							**64.2**

4.5 CREDIT RISK, LIQUIDITY RISK, CURRENCY RISK AND INTEREST RATE RISK (CONTINUED)

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulties in meeting its obligations associated with financial liabilities as they fall due because of inability to realise assets or obtain adequate funding. The Group aims at ensuring that a liquidity position is maintained in order to service its financial obligations as they fall due.

During 2016, the Santa Fe Group agreed terms on an extended and amended EUR 35m loan facility split between HSBC and Danske Bank providing funding for the operations until April 2019. The facility is a combined term loan and revolving credit facility.

At the end of 2016, the Group's borrowings include loans of EUR 18m (EUR 30m), which are subject to usual financial covenants regarding leverage, interest cover and cash flow and includes certain restrictions on future dividend payments of the Santa Fe Parent. According to the loan agreements, the Santa Fe Group must comply with the covenants by the end of each quarter. The Group updates its covenant calculations on a monthly basis to monitor any potential breach of the financial covenants. A future breach of these covenants may require the Group to repay the loans earlier than the stipulated 2 year term. During 2016, the Santa Fe Group complied with these financial covenants.

Following the divestment of the Records Management operation in 2016, the Group's overall financial gearing has decreased. The Group had a net debt position at the end of 2016 of EUR -2.4m (EUR 9.6m).

Contractual maturities of financial liabilities:

		Contractual maturity incl. interest (cash flow)			
EURm	Carrying amount	Total	< 1 years	1 - 5 years	> 5 years
31.12.2016					
Non-derivative financial instruments					
Borrowings (non-current and current)	41.2	43.6	13.0	28.2	2.4
Trade payables	56.3	56.3	56.3		
Other liabilities	11.8	11.8	11.8		

		Contractual maturity incl. interest (cash flow)			
EURm	Carrying amount	Total	< 1 years	1 - 5 years	> 5 years
31.12.2015					
Non-derivative financial instruments					
Borrowings (non-current and current)	40.1	42.7	1.9	38.4	2.4
Trade payables	52.6	52.6	52.6		
Other liabilities	17.1	17.1	17.1		

4.5 CREDIT RISK, LIQUIDITY RISK, CURRENCY RISK AND INTEREST RATE RISK (CONTINUED)

The contractual maturity overview represents the contractual undiscounted cash flows including estimated interest payments. Interest payments are based on current market conditions.

Obligations regarding operating lease agreements are not included, but are disclosed in note 5.4.

Contractual commitments regarding property, plant and equipment are not reflected in the overview but the Group has not entered into any contractual agreements by the end of 2016 or 2015.

Currency risk
The Group is exposed to foreign exchange risk on balance sheet items, partly in terms of translation of debt denominated in a currency other than the functional currency of the relevant Group entity, and partly in terms of translation of net investments in entities with a functional currency other than EUR. The former risk affects the net profit.

The Group is exposed to translation risks from currency translation into the Group reporting currency (EUR). The Santa Fe Group's business activities are conducted in different currencies: Asia Pacific currencies, US Dollars and European currencies. In order to minimise the currency risk, the Santa Fe Group seeks to match the currency denomination of income and expenses and of assets and liabilities on a country-by-country basis. The Santa Fe Group's functional currency varies from country to country and is outside Europe typically different from the reporting currency of the Group (EUR). The objective of The Santa Fe Group's currency management strategies is to minimise currency risks relating to the functional currencies, i.e. to protect profit margins in local currency.

In a number of countries (particularly in Asia Pacific) where the Group has significant activities, the currency correlates partly with the USD. Other significant currencies which may impact the results are AUD, GBP and CHF. Developments in exchange rates between EUR and the functional currencies of subsidiaries impacted the Santa Fe Group full-year revenue and EBITDA before special items negatively by EUR 8.5m and EUR 0.7m respectively which primarily was linked to decreasing exchange rate for GBP and AUD versus the EUR.

Interest rate risk
The Santa Fe Group is directly exposed to interest rate fluctuations in connection with its funding and liquidity portfolio. The risk is managed by matching the duration of assets and liabilities and by ensuring a smooth rollover profile. Santa Fe is also indirectly exposed as a result of the impact of interest rates on the macro economies of the countries in which Santa Fe Group operates its businesses.

The Group is exposed to mainly floating interest rate risk on bank balances and borrowings. All interest bearing assets, EUR 43.6m (EUR 30.5m) and interest bearing liabilities, EUR 41.2m (EUR 40.1m) are reprised within one year.

At the end of 2016, the combined interest rate risk was EUR -0.2m (EUR -0.2m) in the case of a one-percentage point change in the interest rates (impact on net profit and equity). The sensitivity analysis is based on a weighted average of the monthly net interest bearing debt during the year.

4.6 CASH AND CASH EQUIVALENTS

§ **Accounting policies**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments.

4.7 STATEMENT OF CASH FLOW

§ **Accounting policies**

Cash flows from operating activities are presented using the indirect method and stated as the consolidated operating profit/ loss (EBIT) adjusted for non-cash operating items, including depreciation, amortisation and impairment losses, provisions and changes in working capital, interest received and paid and corporation taxes paid. Working capital comprises current assets less current liabilities excluding the items included in cash and cash equivalents, borrowings, tax payables and provisions.

Cash flows from investing activities comprise cash flows from business acquisitions and disposals and cash flows from the purchase and sale of intangible assets, property, plant and equipment and investments as well as dividends from associated companies. The cash flow effect of the acquisitions and disposals of companies is shown separately in cash flows from investing activities.

Cash flows from financing activities comprise changes in the amount or composition of the Group's share capital and related expenses as well as cash flows from draw down and repayment of borrowings as well as payment of dividends to shareholders including non-controlling interests.

Cash and cash equivalents comprise cash as well as short term securities with a term to maturity of less than 3 months, which are easily realisable and only subject to immaterial risk of change in value. Bank overdrafts are shown under borrowings in current liabilities in the balance sheet.

4.8 CHANGE IN WORKING CAPITAL

EURm	**2016**	2015
Changes in inventories	0.2	0.2
Changes in trade receivables	3.2	12.3
Changes in trade payables	6.8	-6.1
Changes in other receivables /liabilities	-6.4	3.8
Total	**3.8**	**10.2**

4.9 OTHER NON-CASH ITEMS

EURm	**2016**	2015
Gains/losses on disposal of intangible and tangible assets	-0.3	-2.1
Changes in provisions	1.4	0.9
Foreign currency and other adjustments	0.4	-0.6
Total	**1.5**	**-1.8**

4.10 DIVESTMENT OF RECORDS MANAGEMENT ACTIVITES

	2016
Purchase Price	15.2
Transaction costs	-0.3
Provision for warranties etc.	-1.0
Carrying amount of assets disposed	-1.7
Gain on divestment	**12.2**
Non-cash items:	
Carrying amount of assets disposed	1.7
10% cash holdback	-1.5
Provision for warranties etc.	1.0
Proceeds from divestment	**13.4**

05 OTHER DISCLOSURES

5.1 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

§ Accounting policies

Assets, which according to the Santa Fe Group's strategic plan are to be sold, are classified as assets held for sale when their carrying amount is primarily expected to be realised in connection with a sale within 12 months. Such assets and related liabilities are presented separately in the balance sheet. Profit/loss after tax from discontinued operations that represent a separate major line of a business are also presented separately in the income statement, and comparative figures are restated.

5.2 CORPORATION TAX

§ Accounting policies

The tax for the year consists of current tax and changes in deferred tax for the year. The tax for the year is recognised in the income statement, other comprehensive income or equity.

5.3 DEFERRED TAX

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill, which is not deductible for tax purposes and on other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Deferred tax is measured at the tax rates (and in accordance with the tax rules) applicable in the respective countries at the date when the deferred tax is expected to be realised or the deferred tax liability is settled.

Income tax expense

EURm	**2016**	2015
Current tax on profit for the year	4.5	3.8
Change in deferred tax during the year	-0.4	-2.0
Corporate income tax	**4.1**	**1.8**
Withholding tax	0.5	0.5
Income tax expense	**4.6**	**2.3**
Profit before income tax	-5.9	-1.0
Share of profit in associates	-0.2	-0.6
Profit before income tax, excluding share of profit in associates	**-6.1**	**-1.6**
Reported effective corporate tax rate (per cent)	**-67.2**	**-112.5**
Danish corporate tax rate in per cent	22.0	23.5
Corporation tax rate explanation		
Calculated Danish corporate income tax expense	-1.3	-0.4
The tax effect from:		
Non-deductible impairment losses net of tax	3.6	
Differences from non-taxable income / non-deductible expenses	1.3	0.7
Non-taxable gain on Records Management divestment	-2.2	
Difference in tax rate of non-Danish companies	-3.0	-1.2
Tax losses for which no deferred tax asset was recognised	5.5	3.4
Write-down of deferred tax assets	1.0	0.3
Recognition of tax losses not previously recognised	-0.5	0.0
Prior year tax adjustment	-0.2	-1.0
Other	-0.1	0.0
Reported corporate income tax expense	**4.1**	**1.8**

5.3 DEFERRED TAX (CONTINUED)

Under Danish tax legislation, the losses can be carried forward indefinitely. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be used.

Adjustment is made for deferred tax concerning unrealised intercompany profits and losses eliminated.

Changes in deferred tax due to changed tax rates are recognised in the income statement.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Santa Fe Group, and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group did not recognise deferred tax assets of EUR 11.3m (EUR 10.2m) in respect of tax losses carried forward amounting to EUR 48.8m (EUR 45.7m) due to uncertainty with respect to utilisation within a foresable future.

The tax losses are primarily related to the Parent Company, the UK entities and Australia and under Danish/UK/Australian tax legislation, the losses can be carried forward indefinitely.

Deferred tax has not been calculated on temporary differences relating to investments in subsidiaries and associates as these investments are not expected to be sold within the foreseeable future. No significant tax liabilities have been identified in this respect.

Deferred tax

		2016		2015
EURm	Assets	Liabilities	Assets	Liabilities
Fixed assets	0.1	2.3	0.1	3.8
Current assets, net	0.2	0.1	0.9	0.4
Non-current debt	1.0	0.0	0.0	-
Current debt	0.4	0.0	0.3	0.1
Other liabilities	0.2	0.5	0.2	0.3
Losses carried forward	1.0	0.0	1.6	-
Provisions	0.8	0.1	2.1	0.2
Deferred tax assets / liabilities	3.7	3.0	5.2	4.8
Set-off within legal tax unit	1.1	1.1	2.8	2.8
Deferred tax assets / liabilities	**2.6**	**1.9**	**2.4**	**2.0**

5.4 LEASING OBLIGATIONS

EURm	**2016**	2015
Operating lease cost expensed	23.7	21.1
Total commitments fall due as follows (undiscounted):		
Within one year	15.1	21.0
Between one and five years	32.5	53.3
After five years	12.1	15.9
Total	**59.7**	**90.2**

Leasing obligations relate mainly to leases of warehouses, offices, vehicles and office equipment etc.

Total commitments represent the total minimum payments at the balance sheet date, undiscounted. A number of operational leases related to warehouse and office buildings include a right of first refusal in case of disposal to third party.

5.5 FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING

Audit fee

EURm	**2016**	2015
Auditors appointed at the annual general meeting including network firms [1]		
Statutory audit	0.4	0.5
Other assurance services	0.1	0.1
Tax/VAT advisory services	0.0	0.1
Other non-audit services	0.0	0.1
KPMG Statsautoriseret Revisionspartnerselskab (2015 EY P/S) (also included above)		
Statutory audit	0.1	0.1
Other assurance services	0.0	0.0
Tax/VAT advisory services	0.0	0.0
Other non-audit services	0.0	0.0

[1] 2016 KPMG P/S (2015 EY P/S)

5.6 INCENTIVE SCHEMES

Share options
An incentive pay scheme (”Matching Option Incentive Program”) was adopted at the Annual General Meeting held on 26 March 2015. The general guidelines have been published on the investor section of the Santa Fe Group’s website (http://investor.thesantafegroup.com).

The purpose of the incentive pay scheme (”Matching Option Incentive Program”) is to increase the value creation in the Santa Fe Group by a realisation of the group’s strategic focus areas (increase in earnings and top line) as well as to ensure a common interest between the Santa Fe Group, its executives and shareholders.

Participation in the incentive pay scheme is based on the condition that the participants will buy a number of shares in the parent company, Santa Fe Group A/S, at market price (Investment shares). Participation has been limited to the Executive Board and selected members from the Management Team. Members of the Board of Directors do not participate in the incentive pay scheme.

Each Investment share entitles the holder to acquire up to four additional shares in Santa Fe Group A/S at a pre-determined exercise price, subject to the Santa Fe Group achieving pre-determined goals for EBITDA before special items (operating profit before amortisation, depreciation, impairment and special items) in 2015 and 2016, respectively. The options vest at the date of publication of the Santa Fe Group’s annual report for 2015 and 2016, respectively, and are exercisable from the publication of the annual report for 2015 until four weeks after the publication of the annual report for 2016. The exercise price of the options is based on the average share price for the Santa Fe Group A/S’s shares on the 10 first trading days after the announcement of Santa Fe Group A/S’s quarterly results as of 21 May 2015.

The Board of Directors can adjust the EBITDA goals in case of divestments or acquisitions resulting in a decrease or increase in EBITDA, which cannot be directly ascribed to the existing business at the time of the setting up of the incentive pay scheme.

There are no cash settlement alternatives. The share options are covered by Santa Fe Group A/S’s holding of treasury shares.

Share options outstanding as of 31 December 2016 have an expected remaining duration of 0.25 years (1.25 years) with an exercise price of DKK 63.2 (EUR 8.5) per option (DKK 63.2 (EUR 8.5) per option).

The determined EBITDA before special items goal for 2015 and 2016 was not met (impacting 105,300 options). The total cost recognised in the income statement in 2016 was EUR 0.0m (EUR 0.0m) after adjustment for expected number of options to ultimately vest.

The fair value per option on the grant date was calculated at EUR 1.16 in 2016.

EURm	**2016**	2015
Calculation of the value of the outstanding share options using Black Scholes formula was based on the following assumptions:		
Grants		
Share price (DKK)	58.5	58.5
Exercise price (DKK)	63.2	63.2
Expected duration (years)	1.67	1.67
Dividend yield (%) - The exercise price is adjusted for dividend	0	0
Risk-free interest rate (%)	-0.3	-0.3
Volatility (%)	34.0	34.0

Incentive Schemes

		Number of share options				Fair value 2016		
Grant year	Excercise year	1 Jan	Granted	Experied/ lapsed	31 Dec	Exercise price	EUR per option	EURm
Executive Board								
2015	2016-2017	92,000	0		92,000	63.2	1.16	0.1
Total		**92,000**	**0**	**0**	**92,000**			**0.1**
Management Team								
2015	2016-2017	17,300	0	4,000	13,300	63.2	1.16	0.0
Total		**17,300**	**0**	**4,000**	**13,300**			**0.0**
Total		**109,300**	**0**	**4,000**	**105,300**			**0.1**

5.7 NON-CONTROLLING INTERESTS

§ Accounting policies

The share of the non-controlling interests of profit/loss for the year and of equity in subsidiaries that are not wholly-owned is included as part of the Group's profit/loss and equity respectively, but are disclosed separately.

5.8 ASSOCIATES

§ Accounting policies

Associates are entities over which the Santa Fe Group has significant influence but not control, normally representing a shareholding of between 20 per cent and 50 per cent of the voting rights. Investments in associates are measured using the equity method.

5.9 CONTINGENT ASSETS AND LIABILITIES

EURm	**2016**	2015
Carrying amount of pledged assets	1.6	3.1
Carrying amount of financial leased assets	7.7	7.9
Other guarantees	1.2	1.4

Legal proceedings pending and disputes, etc.
Certain claims have been raised against the Santa Fe Group including tax related disputes. The Danish tax authorities disagree with the tax treatment of certain group internal transactions. The outcome is subject to considerable uncertainty, however the company disagrees with the position of the tax authorities and believe that the outcome of the dispute will be in favour of the company or not have a material effect on the financial position of the Group. Based on this no provision has been recognised regarding this contingent liability. In the opinion of management, the outcome of other disputes will not have any material effect on the financial position of the Group apart from what has already been recognised or disclosed on the financial statements.

Change of control
In case of a takeover of the Group (change of control) certain contracts and loan agreements may become terminable at short notice.

5.10 RELATED PARTIES

Ownership
The Santa Fe Group has no related parties with controlling interest.

Related parties in the Group comprise affiliated companies and associates, as listed on pages 82-83, members of the Board of Directors, Executive Board and other senior executives. Remuneration to the Board of Directors and the Executive Board is disclosed in note 2.5 and note 5.6. Shares held by the Board of Directors and the Executive Board are disclosed on page 26-27.

Transactions
The Santa Fe Group had no transactions with associates during 2016. The Group have received dividends from associated companies of EUR 0.2m (EUR 0.1m). Furthermore, the Group had no intercompany balances outstanding with associated companies at the end of the year. Intercompany transactions are eliminated in the consolidated financial statements. No further transactions with related parties have taken place during the year. Please refer to note 2.5 and 5.6 regarding remuneration of Management and to page 27 for Management's possession of Santa Fe Group A/S shares and options.

5.11 SUBSEQUENT EVENTS

No material events have taken place after 31 December 2016, that may have a significant influence on the assessment of the consolidated financial statements.

PARENT COMPANY FINANCIAL STATEMENTS

CONTENTS

INCOME STATEMENT	72
STATEMENT OF COMPREHENSIVE INCOME	72
BALANCE SHEET	73
STATEMENT OF CHANGES IN EQUITY	74
CASH FLOW STATEMENT	75

NOTES

1	ACCOUNTING POLICIES OF THE PARENT COMPANY	76
2	SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS	76
3	NEW ACCOUNTING REGULATION	76
4	FINANCIAL INCOME	76
5	FINANCIAL EXPENSES	76
6	INCOME TAX EXPENSE	77
7	AUDIT FEES	77
8	NUMBER OF EMPLOYEES	77
9	STAFF COST AND SPECIAL ITEMS	77
10	INCENTIVE SCHEMES	77
11	INVESTMENT IN SUBSIDIARIES	78
12	FINANCIAL INSTRUMENTS BY CATEGORY	78
13	SHARE CAPITAL AND TREASURY SHARES	78
14	BORROWINGS	78
15	CREDIT RISK, LIQUIDITY RISK, CURRENCY RISK AND INTEREST RATE RISK	78
16	OTHER NON-CASH ITEMS	79
17	CHANGES IN WORKING CAPITAL	79
18	CONTINGENT ASSETS AND LIABILITIES	79
19	RELATED PARTY TRANSACTIONS	79
20	SUBSEQUENT EVENTS	79

INCOME STATEMENT

DKKm	Note	**2016**	2015
Revenue and other income from subsidiaries		4	7
Other external expenses		5	8
Staff cost	9	3	7
Other operating income/expenses		0	2
Operating profit/loss before amortisation, impairments, depreciation and special items		**-4**	**-6**
Special items, net		-1	-3
Operating profit/loss		**-5**	**-9**
Financial income	4	10	22
Financial expenses	5	-165	11
Profit/loss before income tax expenses		**-160**	**2**
Income tax expense	6	0	0
Net profit/loss for the year		**-160**	**2**
Proposed distribution of profit/loss			
Retained earnings		-160	2
Total		**-160**	**2**

STATEMENT OF COMPREHENSIVE INCOME

Net profit/loss for the year	-160	2
Total net comprehensive income for the year	**-160**	**2**

BALANCE SHEET – ASSETS

DKKm	Note	**31.12.16**	31.12.15
Non-current assets			
Investment in subsidiaries	11	615	770
Receivables from subsidiaries	12	12	13
Total non-current assets		**627**	**783**
Current assets			
Receivables from subsidiaries	12	398	620
Other receivables	12	3	2
Cash and cash equivalents	12	0	2
Total current assets		**401**	**624**
Total assets		**1,028**	**1,407**

BALANCE SHEET – EQUITY AND LIABILITIES

DKKm	Note	**31.12.16**	31.12.15
Equity			
Share capital	13	864	864
Retained earnings		140	300
Treasury shares		-24	-24
Total equity		**980**	**1,140**
Liabilities			
Non-current liabilities			
Borrowings		-	222
Provisions for other liabilities and charges		18	0
Total non-current liabilities		**18**	**222**
Current liabilities			
Bank overdraft	12	18	-
Payables to subsidiaries	12	0	0
Other liabilities	12	12	45
Total current liabilities		**30**	**45**
Total liabilities		**48**	**267**
Total equity and liabilities		**1,028**	**1,407**

STATEMENT OF CHANGES IN EQUITY

DKKm	Share capital	Retained earnings	Treasury shares	Proposed dividend for the year	Total equity
Equity at 1 January 2016	864	300	-24	0	1,140
Comprehensive income for 2016					
Net profit/loss for the year	-	-160	-	-	-160
Total comprehensive income for the year	**-**	**-160**	**-**	**-**	**-160**
Total transactions with shareholders	**-**	**-**	**-**	**-**	**-**
Equity at 31 December 2016	**864**	**140**	**-24**	**0**	**980**

No ordinary dividends are proposed for 2016.

DKKm	Share capital	Retained earnings	Treasury shares	Proposed dividend for the year	Total equity
Equity at 1 January 2015	**864**	**304**	**-24**	**0**	**1,144**
Comprehensive income for 2015					
Net profit/loss for the year	-	2	-	-	2
Total comprehensive income for the year	**-**	**2**	**-**	**-**	**2**
Transactions with shareholders					
Loss from merger with subsidiary using the book-value method	-	-6	-	-	-6
Total transactions with shareholders	**-**	**-6**	**-**	**-**	**-6**
Equity at 31 December 2015	**864**	**300**	**-24**	**0**	**1,140**

Further information about the share capital is disclosed in note 4.1 in the consolidated financial statements.

The Parent Company's policy for managing capital is disclosed in note 15. The Group policy for managing capital is disclosed in note 4.5 in the consolidated financial statements.

CASH FLOW STATEMENT

DKKm	Note	31.12.16	31.12.15
Cash flows from operating activities			
Operating profit		-5	-9
Adjustment for:			
Other non-cash items	16	27	22
Change in working capital	17	188	-205
Interest paid		-6	-7
Corporate tax paid		0	0
Net cash flow from operating activities		**204**	**-199**
Cash flows from investing activities			
Changes in non-current receivables from subsidiaries net of non-cash impairments		-2	-1
Net cash flow from investing activities		-2	-1
Net cash flow from operating and investing activities		**202**	**-200**
Cash flows from financing activities			
Proceeds from borrowings		-	257
Repayment of borrowings		-225	-35
Transaction costs related to loans and borrowings		3	-
Proceeds from bank overdraft		18	-23
Net cash flow from financing activities		**-204**	**199**
Changes in cash and cash equivalents		**-2**	**-1**
Cash and cash equivalents at beginning of year		2	3
Cash and cash equivalents at end of year		**0**	**2**

1. ACCOUNTING POLICIES OF THE PARENT COMPANY

For general information about the Parent Company, Santa Fe Group A/S, reference is made to note 1.1 in the consolidated financial statements.

The Parent Company's principal activities include investment activities, operation of corporate functions and the holding of shares in subsidiaries, etc.

Basis of preparation
The separate financial statements of the Parent Company have been included in the Annual Report as required by the Danish Financial Statements Act.

The separate financial statements of the Parent Company for 2016 are presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

The functional currency of the Parent Company is DKK and the financial statements of the Parent Company are presented in DKK million.

When amounts of DKK 0m are used, the actual number is less than DKK 500 thousand unless otherwise stated.

Changes in accounting policies
Refer to the description included in note 1.2 in the consolidated financial statements. None of the changes in accounting policies referred to have impacted the Parent Company's accounting policies for recognition and measurement.

Financial statements of the Parent Company
The accounting policies of the Parent Company are consistent with those applied in the consolidated financial statements (refer to section 1-5 in the consolidated financial statements) with the following exceptions:

Foreign currency translation adjustments of balances with subsidiaries, which are neither planned nor likely to be settled in the foreseeable future, and which are therefore considered to form part of the net investment in the subsidiary, are recognised in the Parent Company's income statement as financial items.

Dividends from subsidiaries are recognised in the Parent Company's income statement when the right to receive payment has been established (at the date of declaration). If the dividend exceeds the total comprehensive income of the subsidiary during the period, an impairment test is carried out.

Investments in subsidiaries are measured at cost in the Parent Company's financial statements. If an indication of impairment is identified, an impairment test is carried out as described in the accounting policies of the consolidated financial statements (note 3.1). If the carrying amount of investments exceeds the recoverable amount, a corresponding impairment loss is recognised. Impairment losses are recognised in the Parent Company's income statement as financial items.

If the Parent Company has a legal or constructive obligation to cover a negative net asset value of a subsidiary, this obligation is recognised by means of a provision.

In the statement of cash flows, changes in current receivables/payables to/from subsidiaries are classified as changes in working capital within cash flows from operating activities. Changes in non-current receivables/payables from subsidiaries are classified as cash flows from investing activities.

2. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

In connection with the preparation of the parent company financial statements, management has made accounting estimates and judgements that affect the assets and liabilities reported at the balance sheet date as well as the income and expenses reported for the financial period.

Management continuously reassesses these estimates and judgements based on a number of other factors in the given circumstances.

Management assesses that, in respect of the financial reporting for the Parent Company, no accounting estimates or judgements are made when applying the Parent Company's accounting policies which are significant to the financial reporting apart from those disclosed in note 3.1 to the consolidated financial statements regarding impairment tests and going concern (note 1.7).

3. NEW ACCOUNTING REGULATION

Reference is made to note 1.5 in the consolidated financial statements.

None of the described new accounting standards (IAS and IFRS) and interpretations (IFRIC) are expected to have a significant effect on the Parent Company's financial statements.

4. FINANCIAL INCOME

DKKm	**2016**	2015
Interest income on receivables from subsidiaries measured at amortised cost	8	13
Foreign exchange gains	2	9
Total	**10**	**22**

5. FINANCIAL EXPENSES

DKKm	**2016**	2015
Impairment of loans to subsidiaries	3	4
Interest expenses and fee on financial liabilities measured at amortised cost	7	7
Impairment investment	155	-
Foreign exchange losses	0	0
Other interest expenses	0	0
Total	**165**	**11**

6. INCOME TAX EXPENSE

DKKm	**2016**	2015
Current tax on profit for the year	0	0
Change in deferred tax during the year	-	-
Corporate income tax	**0**	**0**
Income tax expense	**0**	**0**
Profit before income tax	**-160**	**2**
Reported effective corporate tax rate (per cent)	**0.0**	**0.0**
Danish corporate tax rate in per cent	22.0	23.5
Corporate tax rate explanation		
Calculated Danish corporate income tax expense	-35	1
The tax effect from:		
Differences from non-taxable income / non-deductable expenses	0	0
Non-deductable impairment of investments in and loans to subsidiaries	35	1
Utilization of non-recognised deferred tax assets	0	-2
Reported corporate income tax expense	**0**	**0**

The Parent Company did not recognise deferred tax assets of DKK 46m (DKK 45m) in respect of tax losses carried forward (within the Danish joint taxation scheme) amounting to DKK 201m (DKK 194m) and temporary deductible differences of DKK 8m (DKK 11m) due to uncertainty with respect to utilisation.

7. AUDIT FEES

DKKm	**2016**	2015
KPMG Statsautoriseret Revisionspartnerselskab (2015: Ernst & Young P/S)		
Statutory audit	1	1
Tax/VAT advisory service	0	0
Other non-audit services	0	0

8. NUMBER OF EMPLOYEES

	2016	2015
Santa Fe Parent, average	2	6

9. STAFF COSTS AND SPECIAL ITEMS

DKKm	**2016**	2015
Salaries and wages to employees	1	6
Salaries to the Executive Board of the Parent Company*	1	3
Board fees to the Board of Directors of the Parent Company (fixed fee only)	1	1
Other staff related special items	0	0
Total staff costs including special items	3	10
of which special items	0	-3
Total staff costs	**3**	**7**

*Salaries paid by the Parent Company. Salaries paid by Santa Fe Group to the Executive Board of the Parent Company are disclosed in note 2.5 to the consolidated financial statements.

Employment contracts for members of the Executive Board contain terms and conditions that are common to those of their peers in companies listed on NASDAQ Copenhagen - including terms of notice and non-competition clauses.

10. INCENTIVE SCHEMES

Please refer to note 5.6 in the consolidated financial statements for information related to the Executive Board of the Parent Company.

11. INVESTMENT IN SUBSIDIARIES

DKKm	2016	2015
Cost:		
01.01.	1,397	960
Additions through merger with Santa Fe Group Holding Ltd. A/S	-	1,386
Disposals	-	-949
Cost 31.12.	1,397	1,397
Impairment:		
01.01.	-627	-642
Additions through merger		-619
Impairment for the year	-155	
Disposals	-	634
Impairment 31.12.	-782	-627
Carrying amount 31.12.	**615**	**770**

Impairment in 2016 relates to Santa Fe Group Limited following the impairment losses recognised by the Santa Fe Group combined with the negative development in the underlying business in Australia during 2016. The value in use has primarily been based on key assumptions disclosed in note 3.1 in the consolidated financial statements for Wridgways Australia Ltd. and Interdean International Relocation Group, with the necessary adjustments relevant for the Santa Fe Parent.

During 2015, the Santa Fe Group Parent (formerly the EAC Parent) merged with the fully owned subsidiary Santa Fe Group Holding Ltd. A/S, the former holding company for the Santa Fe Group. In connection with the merger, Santa Fe Group Holding Ltd. A/S, is reported as disposed during the year and Santa Fe Group Limited, UK is reported as an addition. When the merger was registered by the Danish Business Authorities on 29 July 2015, the carrying amount of SFG Limited, UK was DKK 767m (net).

A list of subsidiaries and the Group's associates is included on page 82-83.

12. FINANCIAL INSTRUMENTS BY CATEGORY

DKKm	2016	2015
Financial assets measured at amortised cost		
Receivables from subsidiaries, current and non-current	410	633
Other receivables, current	3	2
Cash and cash equivalents	0	2
Total	**413**	**637**
Financial liabilities measured at amortised cost		
Bank overdraft, current	18	-
Borrowings, non-current	-	222
Other liabilities, current and non-current	30	23
Total	**48**	**245**

Fair value is estimated to be in line with carrying amounts, due to the short term nature of the balances and the Santa Fe Parent's control over its subsidiaries.

13. SHARE CAPITAL AND TREASURY SHARES

Please refer to note 4.1 in the consolidated financial statements.

14. BORROWINGS

DKKm	2016	2015
Non-current borrowings:		
Bank loans	-	222
Total	**-**	**222**
Current borrowings:		
Bank overdraft	18	0
Total	**18**	**0**
Maturity of non-current and current borrowings:		
Less than one year	18	0
Between one and five years	-	222
More than five years	-	0
Total	**18**	**222**

At 31 December 2016/15 all non-current and current borrowings are floating interest based. The borrowings are exposed to interest rate risk, currency risk and financial covernants related to the borrowings which are decribed in note 15.

15. CREDIT RISK, LIQUIDITY RISK, CURRENCY RISK AND INTEREST RATE RISK

Policy for managing risk
The Santa Fe Parent's policy for managing risk is an integral part of the Group policy as described in note 4.5 to the consolidated financial statements.

With legal effect from 1 January 2015 the Santa Fe Group Parent merged with the fully owned subsidiary Santa Fe Group Holding Ltd. A/S, the former sub-holding company for the Santa Fe Group. The recent years' internal Group restructurings has made the Santa Fe Parent an integrated part of the Santa Fe Group's liquidity management. Accordingly, the Santa Fe Parent is highly dependent on the financial performance of the Santa Fe Group.

Santa Fe Parent is primarily exposed to liquidity and funding risk, as well as financial market risks from movements in foreign exchange rates.

The Santa Fe Parent's financial risk management activities follow a policy framework approved by the Board of Directors. It is the Santa Fe Parent's policy not to engage in any active speculation in financial risks. Therefore, the Parent's financial management is focused on managing or eliminating financial risks relating to operations and funding.

Managing capital
Santa Fe Parent aims at maintaining a conservative debt-equity ratio.

Credit risk
Santa Fe Parent has limited external credit risk related to liquid funds. Credit risk related to subsidiaries is managed as part of the Group policy.

Liquidity risk
Liquidity risk is the risk of the Santa Fe Parent being unable to meet its obligations as they fall due because of inability to realise assets or obtain adequate funding. The Santa Fe Parent and Group aim at maintaining a liquidity position which is sufficient to service financial obligations as they fall due.

During 2016, the Santa Fe Group agreed terms on an extended and amended EUR 35m loan facility split between HSBC and Danske Bank providing funding for the operations until April 2019. The facility is a combined term loan and revolving credit facility, and subject to usual financial covenants regarding leverage, interest cover and cash flow and includes certain restrictions on future dividend payments of the Santa Fe Parent. According to the loan agreements, the Santa Fe Group must comply with the covenants by the end of each quarter. The Group updates its covenant calculations on a monthly basis to monitor any potential breach of the financial covenants. A future breach of these covenants may require the Group to repay the loans earlier than the stipulated 2 year term.

As part of the refinancing the Santa Fe Parent repaid external borrowings of DKK 225m during 2016, financed through intercompany loan settlement.

The Santa Fe Parent had liquid funds at the end of 2016 of DKK 0m (DKK 2m).

Currency risk
Santa Fe Parent is exposed to foreign exchange risk on balance sheet items, primarily in terms of translation of intercompany receivables/payables and loan balances denominated in a currency other than the functional currency of the Santa Fe Parent (DKK). This risk affects net financial items and is managed at Group level. At year-end, intercompany receivables and external bank overdraft are primarily denominated in EUR. Bank balances are primarily held in DKK or EUR to minimise the net currency exposure.

Interest rate risk
The Santa Fe Parent exposure to interest rate fluctuations has decreased due to its very limited funding portfolio end of 2016. The Santa Fe Parent is exposed to mainly floating interest rate risk on overdraft facilities. All interest bearing liabilities, DKK 18m (DKK 222m) are reprised within one year. Intercompany receivables are primarily based on short-term floating interest rates.

At the end of 2016, the combined interest rate risk was DKK 0m (DKK -1m) in the case of a one-percentage point increase in the interest rates (impact on net profit and equity). The sensitivity analysis is based on a weighted average of the monthly net interest bearing debt during the year.

16. OTHER NON-CASH ITEMS

DKKm	**2016**	2015
Provision	18	-
Foreign currency and other working capital adjustments	9	22
Total	**27**	**22**

17. CHANGES IN WORKING CAPITAL

DKKm	**2016**	2015
Changes in current receivables / payables to/from subsidiaries	222	-210
Changes in other receivables/ liabilities	-34	5
Total	**188**	**-205**

18. CONTINGENT ASSETS AND LIABILITIES

No guarantees existed as at 31 December 2016 in the Santa Fe Parent.

The Santa Fe Parent has declared that apart from funding needed to service the Parent Company's operating expenses and external borrowings, it will not request repayment of intercompany receivables in the amount of DKK 390m until such time as the 100% owned subsidiary Santa Fe Group Limited, UK is in a position to do so.

Furthermore, the Santa Fe Parent has agreed to make additional funds available, if needed, for certain subsidiaries of the Group to be able to continue as a going concern at least in the next twelve months.

The Santa Fe Group A/S is jointly taxed with other Danish companies in the Group. As the administration company, the Santa Fe Group A/S, has several unlimited liabilities for Danish corporate income taxes and interests within the joint taxation.

Legal disputes, etc.
Certain claims have been raised against the Santa Fe Parent including tax related disputes. The Danish tax authorities disagree with the tax treatment of certain group internal transactions. The outcome is subject to considerable uncertainty, however the Company disagrees with the position of the tax authorities and believes that the outcome of the dispute will be in favour of the Company or will not have a material effect on the financial position of the Santa Fe Parent. Based on this, no provision has been recognised regarding this contingent liability. In the opinion of management, the outcome of other disputes will not have any material effect on the financial position of the Santa Fe Parent apart from what has already been recognised or disclosed in the financial statements.

19. RELATED PARTY TRANSACTIONS

Please refer to note 5.10 in the consolidated financial statements.

Revenue and dividends received from subsidiaries are disclosed seperately in the income statement.

Receivables from and payables to subsidiaries are disclosed seperately in the balance sheet. Interest income and expenses as well as impairments of receivables related to subsidiaries are disclosed in note 4 and 5. Accumulated impairments of receivables from subsidiaries amount to DKK 36m (DKK 33m).

In 2016, the Santa Fe Group entered into an extended and amended EUR 35m loan facility split between HSBC and Danske Bank with Santa Fe Group Limited UK as main borrower. The Term loan in Santa Fe Parent of DKK 225m was consequently repaid through intercompany settlement reducing the intercompany receivable from the subsidiary Santa Fe Group Limited.

20. SUBSEQUENT EVENTS

No material events that may have a significant influence on the assessment of the financial statements have taken place after 31 December 2016.

REFLECTION

DEFINITIONS

Equity per share	Santa Fe Group's share of equity divided by the number of shares of DKK 70 nominal value each adjusted for portfolio of own shares and dilution effect of share options.
P/BV	Year-end stock exchange quotation divided by equity per share.
Market value	Year-end stock exchange quotation multiplied by the number of shares excluding treasury shares.
EPS	Earnings per share equals net profit in EUR per share of DKK 70 nominal value each adjusted for portfolio of treasury shares and dilution effect of share options.
P/E ratio	Year-end stock exchange quotation divided by earnings per share.
EBITIDA margin	EBITDA in per cent of revenue.
Operating margin	Operating profit (EBIT) in per cent of revenue.
Return on invested capital	EBIT in per cent of average invested capital.
Return on equity parent	Santa Fe Group's share of net profit in per cent of Santa Fe Group's share of equity (average opening/closing balances).
Equity ratio	Santa Fe Group's share of equity in per cent of total assets.
Cash and cash equivalents	Bank and cash balances included in current and non-current assets.
Working capital employed	Inventories plus trade receivable less trade payable and prepayments from customers.
Invested capital	Intangible assets plus property, plant and equipment plus current assets (excl. receivables from associates and bank and cash balances) less: non-interest bearing liabilities and provisions.
Interest bearing debt	Non-current debt plus current bank debt and accounts payable to associates.
Net interest bearing debt	Interest bearing debt less cash and cash equivalents.
EBITDA	Earnings before interest, taxes, depreciation and amortisation (operating profit before depreciation and amortisation).
Payout ratio	Paid dividends to Santa Fe Group's shareholders during the year in per cent of Santa Fe Group's share of net profit/loss for the year.

06

SUBSIDIARIES AND ASSOCIATES

Share capital		Share in % Entities per Business	Direct	SFG
		SANTA FE GROUP		
EUR	820,000	Santa Fe Relocation S.A., Luxembourg	100.00	100.00
EUR	90,000	Santa Fe Relocation Services B.V., Netherlands	100.00	100.00
BGN	10,000	Santa Fe Bulgaria EOOD, Bulgaria	100.00	100.00
KZT	900,000	Interdean Central Asia LLC, Kazakhstan	100.00	100.00
KZT	69,700,000	Santa Fe Relocation Services, Kazakhstan	100.00	100.00
RSD	403,804	Santa Fe Relocation Services Beograd D.O.O, Serbia	100.00	100.00
EUR	35,000	Santa Fe Relocation Services Eastern Europe Ges.m.b.H, Austria	100.00	100.00
EUR	213,334	Interdean Group Holdings Limited, United Kingdom	100.00	100.00
HUF	30,000,000	Santa Fe Relocations Kft., Hungary	100.00	100.00
EUR	110,000	Interdean International Relocation Services S.R.L. Unipersonale, Italy	100.00	100.00
EUR	483,300	Santa Fe Interdean International Relocation SA, Portugal	100.00	100.00
UAH	294,500	Interdean International Relocation Ukraine LLC, Ukraine	100.00	100.00
EUR	72,673	Santa Fe Relocation Services Ges.m.b.H, Austria	100.00	100.00
GBP	650,000	Santa Fe Relocation Services (UK) Ltd., United Kingdom	100.00	100.00
EUR	1,025,000	Santa Fe Relocation Services GmbH, Germany	100.00	100.00
EUR	1,377,250	Santa Fe Relocation Services NV, Belgium	100.00	100.00
EUR	750,081	Santa Fe Relocation Services S.A., Spain	100.00	100.00
CHF	196,000	Santa Fe Relocation Services S.A., Switzerland	100.00	100.00
EUR	915,000	Interdean SAS, France	100.00	100.00
PLN	650,000	Santa Fe Relocation Services SpZoo, Poland	100.00	100.00
RON	153,130	Santa Fe Relocation Services Srl, Romania	100.00	100.00
EUR	6,639	Santa Fe Relocation Services SRO, Slovakia	100.00	100.00
CZK	1,877,000	Santa Fe Relocation Services SPLO, s.r.o, Czech Republic	100.00	100.00
RUR	1,450,000	OOO IDX International LLC, Russia	100.00	100.00
IDR	550,000,000	PT Relokasi Jaya, Indonesia	100.00	100.00
USD	420,000	PT Santa Fe Indonusa, Indonesia	100.00	100.00
IDR	50,000,000,000	PT Santa Fe Properties, Indonesia	100.00	100.00
THB	60,150,000	Santa Fe (Thailand) Ltd., Thailand	100.00	100.00
USD	400,000	Santa Fe Group Americas, Inc., USA	100.00	100.00
EUR	127,123,491	Santa Fe Group Limited, United Kingdom	100.00	100.00
BRL	154,701	Santa Fe Group Latinamerica Servicos Adm.e de Realozacao Ltda., Brazil	100.00	100.00
HKD	28,000,000	Santa Fe Holdings Ltd., Hong Kong	100.00	100.00
AUD	95,497,749	Santa Fe Holdings Pty. Ltd., Australia	100.00	100.00
INR	100,000	Santa Fe India Private Limited, India	100.00	100.00
VND	3,900,000,000	Santa Fe Joint Stock Company, Vietnam	100.00	100.00
MOP	25,000	Santa Fe Macau Limited, Macau	100.00	100.00
MMK	500,000,000	Santa Fe Mobility Services (Myanmar) Limited, Myanmar	100.00	100.00
AUD	67,500,100	Santa Fe Moving & Relocation Services Australia Pty. Ltd., Australia	100.00	100.00

Share capital		Share in % Entities per Business	Direct	SFG
		SANTA FE GROUP		
PHP	16,000,000	Santa Fe Moving and Relocation Services Phils., Inc., Philippines	100.00	100.00
INR	2,400,000	Santa Fe Moving Services Private Limited, India	100.00	100.00
QAR	200,000	Santa Fe Relocation Services (LLC), Qatar	100.00	100.00
ZAR	4,100,000	Santa Fe Relocation Services (PTY), South Africa	100.00	100.00
KES	100,000	Santa Fe, Kenya	100.00	100.00
SGD	3,000,000	Santa Fe Relocation Services (S) Pte. Ltd., Singapore	100.00	100.00
JPY	80,000,000	Santa Fe Relocation Services Japan K.K., Japan	100.00	100.00
MNT	196,000,000	Santa Fe Relocation Services LLC., Mongolia	100.00	100.00
AED	300,000	Santa Fe Relocation Services LLC, United Arabic Emirates	100.00	100.00
MYR	500,000	Santa Fe Relocation Services Sdn. Bhd., Malaysia	100.00	100.00
WON	450,000,000	Santa Fe Relocation Services, Korea	100.00	100.00
TWD	14,800,000	Santa Fe Relocation Services, Taiwan	100.00	100.00
HKD	920,000	Santa Fe Transport International Limited, Hong Kong	100.00	100.00
AUD	1,500,000	WridgWays Australia Pty. Limited, Australia	100.00	100.00
AUD	5	WridgWays Pty. Limited, Australia	100.00	100.00
CNY	1,000,000	Sino Santa Fe Real Estate (Beijing) Co. Ltd., China	100.00	50.00**
CNY	100,000	Sino Santa Fe Real Estate (Shanghai) Co. Ltd., China	100.00	50.00**
EUR	3,006	Record Storage S.L., Spain	100.00	100.00
NZD	1	Santa Fe Relocation Services, New Zealand Ltd.	100.00	100.00
DKK	500,000	Alfa Relocation Management A/S, Denmark	50.00	50.00*
CNY	11,046,000	Sino Santa Fe International Transportation Services Co. Ltd., China	50.00	50.00**

Share Capital		Share in % Other entities per country	Direct	SFG
		Asia		
		China		
USD	10,000,000	The East Asiatic Company (China) Ltd., Beijing	100.00	100.00***
CNY	2,605,000	Beijing Zhongbao Drinking Water Co. Ltd., Beijing	34.89	34.89*
		Thailand		
THB	150,000,000	Asiatic Acrylics Company Ltd., Bangkok	51.00	51.00*
THB	36,250,000	The East Asiatic 2010 (Thailand) Company Ltd., Bangkok	49.00	100.00***
		Europe		
		Denmark		
DKK	200,000	Ejendomsanpartsselskabet af 31. Maj 1996, Copenhagen	100.00	100.00***

* Associated company
** The Santa Fe Group A/S is in control of company through agreements, etc.
*** The subsidiary is owned directly by Santa Fe Group A/S.

SANTA FE
GROUP

20AR16

Santa Fe Group A/S
East Asiatic House
20 Indiakaj
DK-2100 Copenhagen Ø
Denmark
CVR No. 26 04 17 16
Shareholders' Secretariat
T +45 3525 4300
E investor@santaferelo.com
www.santaferelo.com

Santa Fe Group
Central Way
Park Royal London
NW10 7XW
United Kingdom
T 44 208 961 4141