

# ANNUAL REPORT



2015



# RE

**RESULTS**

**REPOSITION**

**REVIEW**

**RESPONSIBILITY**

**REPORT**

**REFLECTION**

SFG/AR/**15**

**Disclaimer** The 2016 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.

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01

# RESULTS



# FACTS IN NUMBERS

## REVENUE

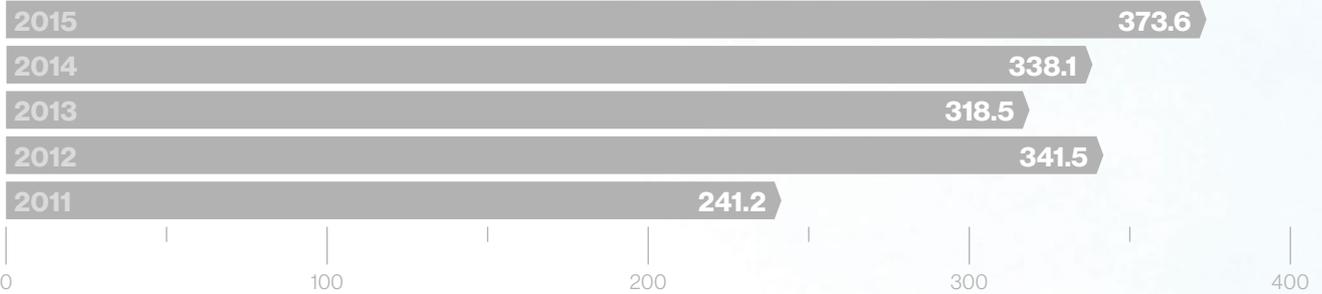
**10.5%**

**GROWTH IN EUR  
FROM 2014-2015**

**3.8%**

**GROWTH IN LOCAL CURRENCY  
FROM 2014-2015**

EURm

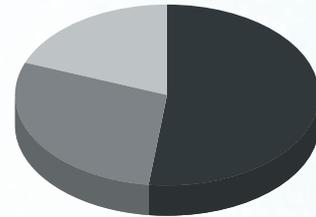
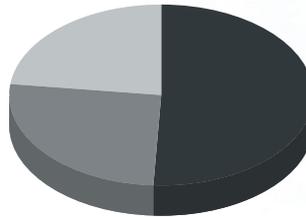


## REVENUE BY SEGMENT



**2014**

**2015**



- EMEA
- ASIA
- AUSTRALIA

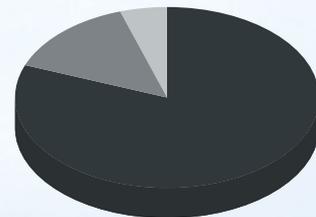
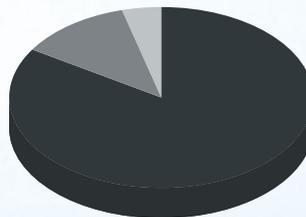
Segment	2014	2015
EMEA	51%	53%
ASIA	26%	29%
AUSTRALIA	23%	18%

## REVENUE BY BUSINESS LINE



**2014**

**2015**



- MOVING SERVICES
- RELOCATION SERVICES
- RECORDS MANAGEMENT

Business Line	2014	2015
MOVING SERVICES	84%	81%
RELOCATION SERVICES	12%	14%
RECORDS MANAGEMENT	4%	5%

### MOVING SERVICES

Providing high quality packing, storage and international transportation of household goods through a network of own offices in 44 countries.

### RELOCATION SERVICES

The high-quality services include immigration/ visa handling, home/school search, language/ cultural training, tenancy management, real estate services and financial 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 are offered throughout Asia and two countries in Europe, enabling customers to achieve efficiency improvements in handling of archives and savings on cost of office space.

REPOSITION



**HENNING KRUSE PETERSEN**  
CHAIRMAN OF THE BOARD



**MARTIN THAYSEN**  
GROUP CEO

# BUILDING A STRONGER BUSINESS

2015 marked a new beginning for the Group: A new name, a new management team and a new strategy with the clear ambition to significantly improve the Santa Fe Group's financial performance and position in the mobility industry. We took a number of key tactical and strategic initiatives during the year to address both performance and strategy.

We succeeded in our efforts to grow our business, despite severe market set-backs in Australia and China. Revenue grew by 3.8% in local currencies to EUR 373.6m, and all business lines reported growth, driven by recently won contracts and increased business from existing customers.

The operating result (EBITDA before special items) of EUR 12.2m was disappointing, especially considering that we had a gain of EUR 2.0m from selling a warehouse in Singapore. The unsatisfactory low margins in our Moving Services, along with the challenging market situations in Australia and China, affected the financial performance and underlined the need for decisive action to address Moving Business fundamentals, while shifting growth focus to the higher margin Relocation Services. The effect of these initiatives started to appear in the 2nd half of 2015, when the financial performance improved compared to same period last year.

Progress was more distinct in our cash flow and working capital, which were both announced focus areas in the 2014 Annual Report. As a result of dedicated efforts, we managed to increase cash flow from operations by EUR 17.8m, and working capital was reduced by EUR 10.2m. This helped us lower net debt and strengthen our cash position considerably – both of which are vital to our flexibility to operate and carry out our plans for the future.

## 2020 Strategy

With the launch of the new 2020 Strategy, we are addressing these immediate challenges to earnings in Moving Services, while preparing ourselves to take advantage of the attractive industry potential and to accelerate growth in the higher-margin Relocation Services.

In 2015-16, our focus is on strengthening the foundation, improving earnings and further improving our cash position. We are simultaneously restructuring Moving Services, while enhancing organisational capabilities, technology and processes in order to build a stronger platform for future growth. In 2017-18, we will pursue growth opportunities more actively and gain market share, thereby paving the way to reach our overall ambition of becoming a global market leader by 2019-20. Our ambition is to spearhead the transformation of the global mobility industry and to set new standards for making it easy to live and work freely and flexibly around the world – both for companies and people.

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 technological platform, and delivered by the best people in the industry.

## One company and a strong global brand

2015 was in many ways a year of changes: The parent company changed its name from EAC to Santa Fe Group. Our activities were consolidated under a new management team with the appointment of Martin Thaysen as Group CEO and Christian Møller Laursen as Group CFO in a controlled generational handover.

We also initiated a generational handover in the Board of Directors to support the continued development of Santa Fe as a global mobility services company. The election of Michael Hauge Sørensen as new Board member has added important, international business experience to our company. Further proposed changes to the composition of our board for the future will be presented at the Annual General Meeting 7 April 2016.

To support our ambition of becoming the leading global mobility company, we made the final alignment of the Santa Fe brand, launching it across Europe and Australia. We are now able to meet our stakeholders under one global brand, which allows us to capture marketing synergies and further build our position and brand recognition around the world.

## 2016 outlook

In line with our strategy, our primary focus in 2016 will be the continued efforts to fix the core Moving Services while building the foundation for more aggressive growth in 2017 and the years ahead.

We expect revenue to be at the same level as in 2015 (EUR 373.6m), as revenue growth from Relocation Services will compensate for an anticipated reduction in activity level within the core Moving Services.

We expect to improve the EBITDA margin before special items to deliver an estimated full-year EBITDA before special items of EUR 13-15m.

2016 will be an important year for the Santa Fe Group, delivering on three key factors; Fixing the Core Moving business, accelerating growth in Relocation Services and investing in the future technology and operating platform.

**Henning Kruse Petersen**  
Chairman of the Board

**Martin Thaysen**  
Group CEO



# 2020 STRATEGY

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.

The strategy takes a three-phased approach to reaching this ambition: In 2015-16, our focus is to lay a sustainable foundation for growth by reorganizing Moving Services and strengthening the Group's skills, technologies and processes. In 2017-18, we aim to significantly accelerate growth and to increase the scale of our service offering in order to capture market share 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 50 million people and the number continues to grow at higher rates than global GDP\*. Around 1.4 million 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 selected 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 Management 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 44 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 launched in 2015: A number of major low-margin contracts were renegotiated and general price increases were introduced. A few non-profitable contracts were terminated and strict cost control was imposed across the organisation, along with several procurement initiatives.

In order to strengthen the Group's cash flow and cash position, significant initiatives were introduced during 2015. Focus has been to optimise net working capital, mainly by reducing trade receivables through improved dunning systems and procedures, introduction of interest charges and

## 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

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

a general tightening of the credit policies. These changes released EUR 10m in cash, and efforts to further improve cash flow will continue in 2016.

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

- Create further global procurement efficiencies through economies of scale
- Enhance efficiency through process optimisation and technology enhancements
- Enhance the Santa Fe supply chain, balancing the Santa Fe service, quality and compliance standards with required cost leadership
- Network optimisation, including winding up loss-making entities and branch offices
- Adjustment of prices, payment terms, etc.
- Possible establishment of services centres

Combined, these initiatives hold the potential to increase Moving Services' EBITDA before special items margin by around 3 percentage points from 2016 to 2020 after having invested around 0.75 percentage points to fund additional technology investments. The positive effects are expected to materialise gradually.

### Growth in Relocation Services

Another key element in the 2020 Strategy is to enhance our focus on Relocation Services. Since 2011, the business line has shown average annual growth rates of 22% 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 Key Account 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 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 44 countries, Santa Fe's global coverage is unrivalled. Over the coming years, we aim to expand 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.

By 2020, Santa Fe aims to double sales of Destination Services and triple sales of both Immigration Management Services (IMMS) and Relocation & Assignment Management Services (RAMS). IMMS and RAMS offer a great potential, particularly in the United States, the world's largest relocation market. Santa Fe intends to strengthen its position in this market in order to gain access to more US-controlled and US-operated business.

### Financial targets 2020

Santa Fe Group expects to generate revenue growth at an average annual rate of 6-8% in local currencies, excluding acquisitions. Relocation Services is expected to deliver double-digit growth, while Moving Services is expected to show modest, single-digit growth. Growth is expected to pick up from 2017.

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.

## 2020 TARGETS

KPI	2015	2020 Targets
Organic growth, local currency	3.8%	Annual average 6-8% in local currency
EBITDA margin (before special items)	3.3%	7%
Share of relocation services	14%	25-30%
Growth in relocation services, local currency	19%	Annual double digit
Return on invested capital (ROIC)	1.6%	10%



# THE STRATEGIC AGENDA IN 2016

According to the 2020 Strategy, initiatives under the “Fix the Core” programme will continue in 2016 with additional efforts to support sustainable earnings in the Moving Services business line.

The rationalisation of the Australian network, which was initiated in 2015 with the closure of 5 branch offices and workforce reductions, is expected to be completed in Q1 2016 and will adapt fixed costs in Australia to prevailing market conditions. Further initiatives to save costs, create operational efficiencies and streamline the management organisation will continue in Europe and part of Asia – mainly in China to fully adapt to the reduced demand experienced in 2015.

Building on the positive results achieved in 2015, Santa Fe will take additional steps to reduce overdue receivables. Initiatives include new procedures for invoicing, stricter internal credit control and follow up procedures, as well as a tighter credit policy aiming at further reducing the overdue receivables as percentage of revenue by the end of 2016 (50 % in 2014; 27 % in 2015).

## Driving growth

Top priority in the Relocation Services business line will be to strengthen our growth-driving capabilities. A Key Account Programme has been launched to exploit the growth potential with existing global accounts and, accordingly, customer-specific growth plans will be developed and supported by effective sales management. The build-up of the Immigration Management

Services (IMMS) and RAMS activities will be supported by the recruitment of new talents and further development of the business model in order to achieve the expected exponential growth from 2017. Finally, we aim to win new Relocation Services contracts in 2016, based on the robust pipeline at the turn of the year.

Across business lines, Santa Fe Group will pursue a technological transformation and start implementing a new Core Operational Technology, based on the Salesforce contract signed in January 2016. The new technological platform will improve customer and assignee experience, while also enhancing cross-selling and up-selling capabilities. Moreover, it will increase employee engagement, improve decision support and facilitate operational efficiencies. Santa Fe will undertake a phased implementation and phase 1 is planned for implementation towards the end of 2016.

Santa Fe Group will attempt to exit its non-strategic joint-ventures in Thailand and China at reasonable terms and to buy out the joint-venture partner in China.

## 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 potential 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.

As announced at the Annual General Meeting on 26 March 2015, (Company Announcement 3/2015) no dividend will be declared in 2016 where earnings will be reinvested in the company, as was the case in 2015.

## PRIORITIES IN 2016

Strategic area	Targeted milestones	Estimated impact
<b>Fix the core</b>	Conclude and implement new global procurement contracts	Savings potential of EUR 3-5m p.a. when all contracts are fully implemented
	Complete restructuring of the Australian business and drive cost efficiencies in Asia and Europe	Savings potential of EUR 2-3m p.a. to fully materialize from 2017
	Implement tighter credit policy and procedures for invoicing, etc.	Reduces working capital and releases cash for investments
<b>Grow Relocation Services</b>	Implement Key Account Management programme	Enables better global servicing of key customers, enhanced value selling and growth within Key Accounts
	Expand core capabilities in RAMS and IMMS units	Allows for exponential growth from 2017 and supports ambition to triple RAMS and IMMS revenue by 2020
	Focus sales and growth on quality revenue opportunities in RAMS, IMMS and integrated solution.	Increases revenue and earnings; consolidates business platform
<b>Technology</b>	Implement phase 1 of the Core Technology project	Allows Santa Fe to leverage technology to fuel growth
<b>Other activities</b>	Exit non-strategic joint ventures in Thailand and China at reasonable terms	Focusses business, potentially releases cash

REVIEW

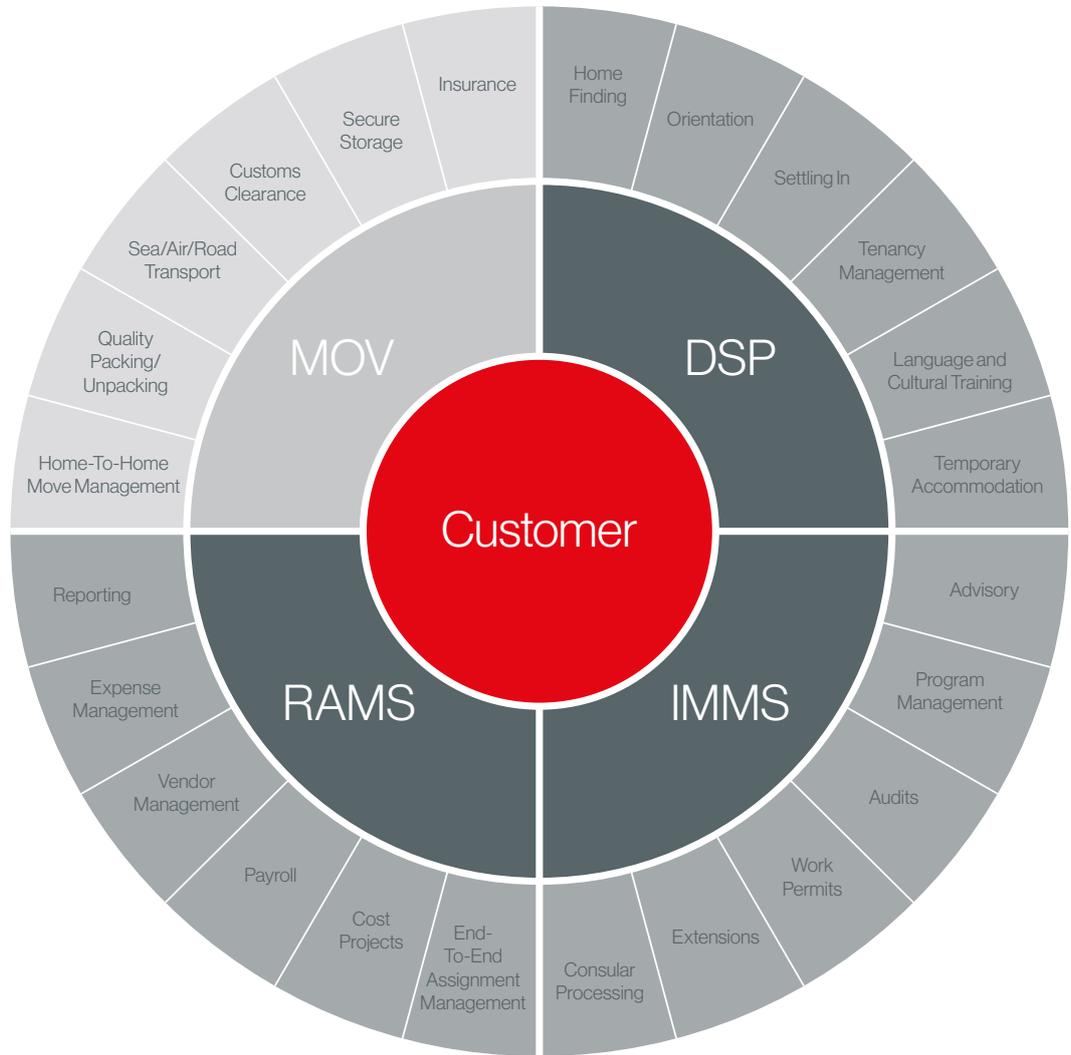
# FINANCIAL HIGHLIGHTS AND KEY RATIOS

EURm	2015	2014*	2013*	2012*	2011*
<b>CONSOLIDATED INCOME STATEMENT</b>					
Revenue	373.6	338.1	315.8	341.5	241.2
Earnings before depreciation, amortisation and special items (EBITDA before special items)	12.2	12.3	9.1	13.1	13.4
Special items, net	-2.7	-2.5	0.0	0.0	0.0
Earnings before depreciation and amortisation (EBITDA)	9.5	9.8	9.1	13.1	13.4
Operating profit (EBIT)	1.8	-34.9	-23.6	7.2	9.5
Financials, net	-3.4	-2.5	-16.9	-2.1	0.4
Share of profit in associates	0.6	0.1	0.2	0.4	0.3
Income tax	2.3	-3.6	-0.6	2.8	8.3
Profit from continuing operations	-3.3	-33.7	-39.7	2.7	1.9
Profit from discontinued operations	-0.1	80.5	-165.6	21.9	30.6
Profit for the year	-3.4	46.8	-205.3	24.6	32.5
Earnings per share (diluted) EUR, continuing operations	-0.3	-2.9	-3.4	0.1	0.0

EURm	2015	2014	2013	2012	2011
<b>CONSOLIDATED BALANCE SHEET</b>					
Total assets	241.3	239.7	710.5	935.5	819.9
SFG's share of equity	96.8	97.0	152.6	401.9	360.5
Non-controlling interests	1.7	2.4	37.3	18.6	22.3
Continuing operations:					
Working capital employed	12.2	18.0	13.0	11.4	8.6
Net interest bearing debt, end of year	9.6	20.2	31.2	26.6	7.4
Net interest bearing debt, average	14.9	25.7	28.9	17.0	-39.7
Invested capital	101.0	114.8	141.7	183.0	168.2
Cash and cash equivalents	30.5	18.7	27.8	51.0	21.1
Investments in intangible assets and property, plant and equipment	3.8	5.3	8.1	13.3	7.0
<b>CASH FLOW</b>					
Operating activities	12.5	-5.3	1.7	17.2	-28.7
Investing activities	-0.4	-29.1	-6.6	-67.4	-119.7
Financing activities	-1.0	-49.2	-16.9	52.4	89.6
<b>RATIOS</b>					
EBITDA margin (%), before special items	3.3	3.6	2.9	3.8	5.6
Operating margin (%)	0.5	-10.3	-7.5	2.1	3.9
Equity ratio (%)	40.1	40.5	21.5	43.0	44.0
Return on invested capital (%), annualised	1.6	-27.2	-14.5	4.1	7.4
Return on parent equity (%)	-4.1	35.2	-81.3	5.0	8.0
Equity per share (diluted)	8.1	8.1	12.7	33.5	30.0
Number of employees end of year, continuing operations	2,908	2,969	3,019	2,934	2,832

\*Income statement 2011 - 2014 reflecting continuing operations (Santa Fe Group). Cash flow 2011-2012 includes discontinued operations.

The ratios have been calculated in accordance with definitions on page 81.



- Relocation Services
  - Destination services (DSP)
  - Relocation & Assignment Management Services (RAMS)
  - Immigration Management Services (IMMS)
- Moving Services
  - Moving services (MOV)

**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.

# SANTA FE IN BRIEF

## OUR VALUE PROPOSITION

The Santa Fe Group is a global leader in international mobility, handling around 60,000 international relocations and around 15,000 domestic relocations (predominantly in Australia) per year, based on own operations in 44 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 best possible in their new home. 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.

### Non-strategic business activities

Santa Fe also offers Records Management services throughout Asia and in two European countries. These services specialise in managing, storing and protecting company records within secure, modern facilities with efficient on-line customer services. Approximately 2.9m cartons is on storage.

## OUR CUSTOMERS

### Global contracts

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 require 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 2015 and the Santa Fe Group responded to a higher number of Requests for Proposals (RFP's) for multi-national corporations' mobility programmes than during 2014. 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.

The most significant new contract entered into during 2015 was a new EUR 11m a year contract for global relocation services with one of the world's leading agro-chemical businesses. This contract win was particularly important as being the first major global win for the group with a US headquartered client. The contract was fully implemented by the end of 2015.

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. The global market for international relocations continues to grow.

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 platform and continue to build strategic partnerships with global corporate customers, expanding the value chain of our contracts to cover the full range of mobility and advisory services.

Read more about our strategy and financial targets on page 8-11.

# FINANCIAL REVIEW

## CONSOLIDATED INCOME STATEMENT

### Change in presentation currency

The presentation currency has been changed from DKK to EUR with effect from 1 January 2015 and results are now presented in Euro million with one decimal point. All comparatives have been translated into EUR accordingly for the financial period ending 31 December 2014.

Revenue and EBITDA were in line with the most recent outlook as published in the Q3 report in November 2015.

**Revenue** of the Santa Fe Group was EUR 373.6m in 2015 (EUR 338.1m) equivalent to a revenue growth of 10.5% in EUR and 3.8% in local currencies. The growth was driven by EMEA and Asia, whereas Australia had a disappointing year with lower revenue compared to 2014.

Developments in exchange rates between the reporting currency EUR and the functional currencies of subsidiaries affected the Group revenue for 2015 positively by EUR 22.7m. This was mainly due to the appreciation of the USD and USD-related currencies in Asia.

	Growth	EURm
Revenue 2014		338.1
Currency translation adjustment	6.7%	22.7
Organic growth in local currencies	3.8%	12.8
<b>Revenue 2015</b>	<b>10.5%</b>	<b>373.6</b>

**EBITDA before special items** was on par with 2014 at EUR 12.2m (EUR 12.3m). Throughout the year, margin pressure in the core Moving Services combined with reduced volumes in Australia had a negative impact on earnings. Especially during the 1st half of 2015, this was aggravated by increased cost to handle the new customers secured during 2014. A warehouse divestment gain of EUR 2.0m presented as part of other operating income, corporate cost savings in Copenhagen and strong earnings in Asia had a positive impact – particularly during the 2nd half of 2015.

Developments in exchange rates between the reporting currency EUR and the functional currencies of subsidiaries affected EBITDA before special items for 2015 positively by EUR 1.7m.

**Special items** were an expense of EUR 2.7m in 2015 (EUR 2.5m). This was primarily related to restructuring of the corporate office in Copenhagen combined with restructuring initiatives in Australia to right-size the business to the lower activity level. A warehouse rationalisation project in France and restructuring in Portugal were also recorded as special items.

## SPECIAL ITEMS – RESTRUCTURING

EURm	2015	2014
Australia	0.7	
Copenhagen	0.7	2.5
France	0.5	
Portugal	0.4	
Other	0.4	
<b>Total</b>	<b>2.7</b>	<b>2.5</b>

**Amortisation and depreciation of intangibles, property, plant and equipment** in 2015 of EUR 7.7m (EUR 6.0m) increased compared to 2014 primarily as result of amortisation of the WridgWays trademark amounting to EUR 1.5m in 2015. The useful life of the WridgWays trademark was reassessed to be finite at year-end 2014 and is accordingly amortised over a useful life of 10 years from 1 January 2015.

**Financial expenses and income, net** was an expense of EUR 3.4m during 2015 (EUR 2.5m). Financial expenses of EUR 3.8m (EUR 10.8m) was primarily related to interest expenses of EUR 2.0m (EUR 2.0m). Exchange losses was EUR 1.8m (EUR 8.8m). In 2014 foreign exchange gains and losses were affected by a realised exchange loss of EUR 6.4m on an intercompany loan within the Santa Fe Group offset by an opposing foreign exchange gain recycled from equity (other comprehensive income) following a capital reduction in Hong Kong.

The **effective tax rate** for 2015 was impacted negatively by non-deductible amortisation 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 2015 was a net loss of EUR 3.3m (net loss of EUR 33.7m including pre-tax impairment charges of EUR 38.7m) and EUR 31.4m net of tax.

**Net profit from discontinued operations** in 2015 was a loss of EUR 0.1m versus a profit of EUR 80.5m in the same period last year. Discontinued operations in 2014 related to the divestment of the Plumrose business upon closing of the sale in April 2014. Further details are disclosed in note 29, pages 63-64.

**Non-controlling interests'** share of net profit for 2015 amounted to EUR 0.6m (EUR 2.9m) which was attributable to the minority shareholder in Santa Fe China. In 2014 non-controlling interests related to the discontinued Plumrose operations was EUR 1.6m.

**Santa Fe Group A/S' share of the net profit/loss** for 2015 was a loss of EUR 4.0m versus a loss of EUR 36.6m in 2014, adjusted for discontinued operations. 2014 was burdened by

impairment losses in the amount of EUR 38.7m (EUR 31.4m net of tax).

## CONSOLIDATED BALANCE SHEET

**Total equity** by the end of 2015 was EUR 98.5m (EUR 99.4m at the end of 2014) corresponding to a solvency ratio of 40.0% (40.5%). The 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 12.2m (EUR 18.0m) equivalent to a decrease of 34% in local currencies. The progress was to a large extent a result of intensive efforts to reduce overdue receivables.

**Invested capital** decreased by 13% versus 31 December 2014 in local currencies to EUR 101.0m (EUR 114.8 at the end of 2014). The reduction was primarily driven by the decrease in working capital employed.

**Return on invested capital (ROIC)** in 2015 was 1.6% (-27.2%). Adjusted for impairments of EUR 38.7m ROIC was 2.9% in 2014. 2015 was burdened by increased amortisation of trademarks.

**Net interest bearing debt** amounted to EUR 9.6m (EUR 20.2m) equivalent to a decrease of 48% in local currencies versus 31 December 2014. Improvements in working capital employed and divestment proceeds from sale of the Singapore warehouse contributed to the decrease.

## NET INTEREST BEARING DEBT

(EURm)	2015	2014
Loans and credit facilities	30.9	29.6
Mortgage loans	4.2	4.0
Finance leases	5.0	5.3
<b>Total borrowings</b>	<b>40.1</b>	<b>38.9</b>
Cash and cash equivalents	-30.5	-18.7
<b>Net interest bearing debt</b>	<b>9.6</b>	<b>20.2</b>

**Cash flows from operating activities** of EUR 12.5m were predominantly affected by the working capital improvements of EUR 10.2m

**Cash outflow from investing activities** of EUR 0.4m was related to investments in property, plant and equipment partly offset by EUR 2.0m net proceeds from the divestment of a warehouse in Singapore.

**Cash outflow from financing activities** of EUR 1.0m was primarily related to dividends to the non-controlling interests in China of EUR 1.5m. During the year, the main loan facility was repaid and replaced by a new loan facility.

## CONDENSED CASH FLOW STATEMENT

### Continuing operations

(EURm)	2015	2014
Cash flow from operating activities	12.5	-5.3
Cash flow from investing activities	-0.4	-4.9
Free cash flow	12.1	-10.2
Cash flow from financing activities	-1.0	-49.2
Cash flow for the year	11.1	-59.4

## OTHER EVENTS

### Refinancing

In Q1 2015, the Santa Fe Group agreed terms on a new EUR 43.5m (DKK 325m) loan facility split between HSBC and Danske Bank, which has replaced previous bank loans in the amount of EUR 29m (DKK 215m) providing funding for the operations during 2015 and 2016. The new facility (matures in March 2017) is a combined two year term loan and revolving credit facility, and subject to usual financial covenants regarding leverage, interest cover and solvency. During 2015, the Group complied with these financial covenants.

### Incentive scheme

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 Company's website ([www.thesantafegroup.com](http://www.thesantafegroup.com)).

The Company keeps treasury shares from an expired share option programme. The total cost of the programme (i.e., grant date fair value x number of options expected to vest) is to be recognised as an expense in the income statement with a corresponding amount recognised in equity. The total cost is to be recognised over the service period. For further information refer to note 11 on page 50.

### Group Structure

With effect from 1 January 2015 the Santa Fe Group Parent (formerly the EAC Parent, The East Asiatic Company Ltd. A/S) merged with the fully owned subsidiary Santa Fe Group Holding Ltd. A/S and will continue under the name Santa Fe Group A/S. The notice to creditors related to the merger expired on 30 April 2015. The merger was completed on 29 July 2015.

## SUBSEQUENT EVENTS

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 page 8-9.

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, which is expected towards the end of 2016. The total investment associated with the project is estimated to be around EUR 3.0m in 2016, amortisation of which will commence once the system is taken into operation.

No other material events have taken place after 31 December 2015.

### 2016 Outlook

The Santa Fe Group's consolidated revenue is expected to be at the same level as in 2015 (EUR 373.6m), as revenue growth from Relocation Services will compensate for an anticipated reduction in activity level within the core Moving Services.

Consolidated EBITDA before special items is expected to be in the range of EUR 13.0m – 15.0m.

Special items are expected to be below the cost in 2015 (EUR 2.7m).

Further details about the key strategic focus areas in 2016 can be found on page 11 (The strategic agenda in 2016).

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

- **The net profit** for the year amounted to DKK 2m (DKK -309m), positively impacted by interest income from subsidiaries offset by administrative expenses. 2014 was negatively impacted by impairment losses on investments in subsidiaries in the amount of DKK 286m.
- **Cash flows from operating activities** were a net outflow of DKK 199m (a net outflow of DKK 181m), due to transfer of proceeds from new loans to subsidiaries.
- **Cash balances** at 31 December 2015 amounted to DKK 2m (DKK 3m).
- **Total assets** at year end were DKK 1,407m (DKK 1,187m).
- **Total equity** at year end totalled DKK 1,140m (DKK 1,144m) of which DKK 300m (DKK 304m) was retained earnings.

## BUSINESS LINE PERFORMANCE

### Moving Services

Overall revenue in 2015 from Moving Services increased by 1.2% in local currencies and by 7.1% in EUR to a total of EUR 303.2m (EUR 283.2m).

### Relocation Services

Revenue in 2015 increased by 18.7% in local currencies and 28.4% in EUR to EUR 53.8m (EUR 41.9m).

### Records Management

Revenue in 2015 increased by 9.7% in local currencies to EUR 16.6m (EUR 13.0m) and 27.7% in EUR. Measured in volume the business grew by 7.0% in 2015. Total number of cartons on storage reached 2.9m versus 2.7m in 2014.

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 14% of total revenue in 2015 versus 12% 2014.

### EMEA

Overall 2015 revenue in EMEA of EUR 196.5m (EUR 171.7m) was 9.2% above 2014 in local currencies.

Revenue from **Moving Services** in EMEA increased 5.8% in local currencies during 2015 to EUR 160.9m (EUR 145.3m). Strong growth was realised in the UK with client activity from key accounts rebounding from a quite low level in 2014 but also France and Italy showed good progress, whereas Switzerland suffered from the loss of a larger customer. In general the region benefitted from contracts won during the latter half of 2014 and increased activity levels from existing accounts.

**Relocation Services** within EMEA continued to deliver strong growth during 2015, increasing by 28.8% in local currencies to EUR 34.9m (EUR 25.6m). The growth was widespread within Western Europe.

EBITDA in EMEA was below 2014. Recruitments made to operate and service the many new contracts won during 2014 combined with the impact during 1st half of 2015 from contracts with a significant dependency on USD-related costs contributed to the unsatisfactory development in margins.

### ASIA

Revenue in Asia in 2015 reached EUR 107.7m (EUR 89.1m), significantly impacted by the appreciation of the USD and USD-related currencies against the EUR. In local currencies the growth in revenue was 5.2%.

Revenue from **Moving Services** in Asia increased 4.9% in local currencies to EUR 75.5m (EUR 62.8m). Most markets in Asia demonstrated strong growth, which was partly offset by significant revenue decline in China. The market for international relocations in China was down by approximately 20% compared to last year.

Revenue from **Relocation Services** in Asia was EUR 16.3m (EUR 14.1m) or an increase of 1.6% in local currencies driven by growth in most markets in the region fronted by Hong Kong, Singapore, Indonesia and Vietnam. China experienced another steep decline due to the slower moving activity adversely impacting relocation services.

Revenue from the **Records Management** business in Asia increased by 10.7% in local currencies to EUR 15.9m (EUR 12.2m) mainly driven by successful price increases in Hong Kong and volume growth combined with new accounts in Greater China and to a lesser extent in the Philippines.

EBITDA in Asia was significantly above 2014, positively impacted by a EUR 2.0m gain on divestment of a warehouse in Singapore and favorable movements in Asian currencies versus EUR. The organic growth was driven by Singapore, Hong Kong and Indonesia, partly countered by the slowdown in Mainland China. EBITDA was supported by tight cost control with lower staff costs driving the positive variance along with the revenue uplift.

### AUSTRALIA

In Australia, the 2015 revenue was EUR 69.4m (EUR 77.3m) equivalent to decrease 10.1% in local currency.

The Australian **Moving Services** revenue decreased by 10.9% in 2015 in local currency to EUR 66.8m (EUR 75.1m). The main reasons were continued market decline and consequent price pressure, as well as lower inbound volumes from US partners.

Both the international and domestic business were impacted by the general economic slowdown, lower activity level for both corporate and consumer business and the specific downturn in the mining and resources industry.

Revenue from **Relocation Services** from the emerging business in Australia increased by 17.0% in local currency to EUR 2.6m (EUR 2.2m). The Visa and Immigration business developed positively, but unfortunately other relocation services declined following the reduced corporate activity.

The downward trend in EBITDA in Australia experienced over the last couple of years continued and accelerated during 2015. The lower activity level combined with increased competition and price pressure contributed to another very unsatisfactory result.

As a consequence of the downturn, a restructuring programme with the purpose of trimming the Australian organisation and reduce fixed cost was initiated in Q1 2015. The restructuring programme continued during 2015 with further efficiency measures, cost reductions combined with organisational re-alignment including the closure of 5 branch offices and workforce reductions. As part of the restructuring, two new leadership roles were filled: Chief Operations Officer focusing on the efficiency of our Moving Operation, and Head of Consumer Business to strengthen our approach to the Australian consumer market.

The rationalisation of the Australian network is expected to be completed in Q1 2016, whereby the fixed cost base in Australia will be adapted to prevailing market conditions.

## REVENUE BY BUSINESS LINES AND SEGMENTS

EURm	2015				2014				Change in %, EUR	Change in %, LC
	EMEA	Asia	Australia	Santa Fe Group	EMEA	Asia	Australia	Santa Fe Group		
Moving Services	160.9	75.5	66.8	303.2	145.3	62.8	75.1	283.2	7.1	1.2
Relocation Services	34.9	16.3	2.6	53.8	25.6	14.1	2.2	41.9	28.4	18.7
Records Management	0.7	15.9		16.6	0.8	12.2		13.0	27.7	9.7
<b>Total revenue</b>	<b>196.5</b>	<b>107.7</b>	<b>69.4</b>	<b>373.6</b>	<b>171.7</b>	<b>89.1</b>	<b>77.3</b>	<b>338.1</b>	<b>10.5</b>	<b>3.8</b>
<b>Growth per segments:</b>										
Change in %, EUR	14.4	20.9	-10.2	10.5						
Change in %, LC	9.2	5.2	-10.1	3.8						

## CONSOLIDATED QUARTERLY SUMMARY

EURm	2014					2015				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
<b>EMEA</b>										
<b>Revenue</b>	<b>31.9</b>	<b>35.0</b>	<b>58.9</b>	<b>45.9</b>	<b>171.7</b>	<b>39.8</b>	<b>44.2</b>	<b>66.8</b>	<b>45.7</b>	<b>196.5</b>
- Growth vs. same qtr. prev. year (%)	0.6	4.5	13.3	34.1	13.4	24.8	26.3	13.4	-0.7	14.4
<b>EBITDA before special items</b>	<b>-1.1</b>	<b>0.5</b>	<b>5.9</b>	<b>0.0</b>	<b>5.3</b>	<b>-1.6</b>	<b>-1.0</b>	<b>6.1</b>	<b>-0.9</b>	<b>2.6</b>
- EBITDA margin (%)	-3.4	1.4	10.0	0.0	3.1	-4.0	-2.3	9.1	-2.0	1.3
<b>ASIA</b>										
<b>Revenue</b>	<b>18.1</b>	<b>20.2</b>	<b>27.1</b>	<b>23.7</b>	<b>89.1</b>	<b>22.1</b>	<b>25.9</b>	<b>32.5</b>	<b>27.2</b>	<b>107.7</b>
- Growth vs. same qtr. prev. year (%)	-8.1	-14.0	5.0	28.1	1.8	22.1	28.2	19.9	14.8	20.9
<b>EBITDA before special items</b>	<b>0.9</b>	<b>2.2</b>	<b>4.7</b>	<b>2.5</b>	<b>10.3</b>	<b>1.1</b>	<b>3.4</b>	<b>7.9</b>	<b>3.3</b>	<b>15.7</b>
- EBITDA margin (%)	5.0	10.9	17.3	10.5	11.6	5.0	13.1	24.3	12.1	14.6
<b>AUSTRALIA</b>										
<b>Revenue</b>	<b>20.9</b>	<b>16.8</b>	<b>18.9</b>	<b>20.7</b>	<b>77.3</b>	<b>21.3</b>	<b>15.7</b>	<b>15.1</b>	<b>17.3</b>	<b>69.4</b>
- Growth vs. same qtr. prev. year (%)	-15.7	-7.7	11.8	21.9	0.5	1.9	-6.5	-20.1	-16.0	-10.1
<b>EBITDA before special items</b>	<b>1.3</b>	<b>-0.1</b>	<b>-0.4</b>	<b>-0.3</b>	<b>0.5</b>	<b>0.3</b>	<b>-1.7</b>	<b>-1.6</b>	<b>-0.1</b>	<b>-3.1</b>
- EBITDA margin (%)	6.2	-0.6	-2.1	-1.4	0.6	1.4	-10.8	-10.6	-0.6	-4.5
<b>PARENT AND UNALLOCATED</b>										
<b>EBITDA before special items</b>	<b>-1.4</b>	<b>-0.4</b>	<b>-1.0</b>	<b>-1.0</b>	<b>-3.8</b>	<b>-0.9</b>	<b>-0.7</b>	<b>-0.5</b>	<b>-0.9</b>	<b>-3.0</b>
<b>SANTA FE GROUP</b>										
<b>Revenue</b>	<b>70.9</b>	<b>72.0</b>	<b>104.9</b>	<b>90.3</b>	<b>338.1</b>	<b>83.2</b>	<b>85.8</b>	<b>114.4</b>	<b>90.2</b>	<b>373.6</b>
- Growth vs. same qtr. prev. year (%)	-6.9	-4.3	10.8	29.6	7.1	17.3	19.2	9.1	-0.1	10.5
<b>EBITDA before special items</b>	<b>-0.3</b>	<b>2.2</b>	<b>9.2</b>	<b>1.2</b>	<b>12.3</b>	<b>-1.1</b>	<b>0.0</b>	<b>11.9</b>	<b>1.4</b>	<b>12.2</b>
- EBITDA margin (%)	-0.4	3.1	8.8	1.3	3.6	-1.3	0.0	10.4	1.6	3.3

The quarterly financial reporting has not been audited or reviewed by SFG's auditors.

KEY  
FASHION  
TRENDS  
2015



# SUSTAINABILITY IN THE SANTA FE GROUP

In close partnership with the businesses, Santa Fe Group makes continuous efforts to improve its sustainability performance according to Santa Fe's Corporate Social Responsibility (CSR) policy and its commitment to the UN Global Compact principles.

The Santa Fe Group is committed to the principles of the UN Global Compact and makes continuous efforts to improve its sustainability performance according to Santa Fe's Corporate Social Responsibility (CSR) policy. Santa Fe focuses on embedding sustainability into our business activities to mutual benefit of our customers, business partners and other key stakeholders while concurrently ensuring that the Santa Fe Group exploit opportunities related to sustainability.

See Santa Fe's Global Compact Communication on Progress report, which meets the requirements for sustainability reporting of the Danish Financial Statements Act. The reports and Santa Fe's CSR policy are available at <http://investor.thesantafegroup.com/communication.cfm>.

## DIVERSITY

According to Danish legislation on gender equality, Santa Fe has a policy for diversity in management and objectives for the proportion of the underrepresented gender on the Board of Directors. In 2015, the Santa Fe Group complied with its policy and objectives as reported in more detail in Santa Fe's Communication on Progress Report to UN Global Compact.

## STRATEGIC FOCUS AREAS IN CSR

The Santa Fe Group welcomes the fact that customers and other stakeholders are showing increasing interest in the sustainability efforts of the company. Based on the company culture and years of investments, the Santa Fe Group is well placed to meet and exceed customer expectations on CSR. The Santa Fe Group's corporate responsibility strategy contains five prioritised areas:

- **Ethics and behaviour:** Binding guidelines with the aim of ensuring that all employees perform their duties in accordance with the Santa Fe Group's business ethics.
- **Supplier standards:** Ethical standards that suppliers must follow and Santa Fe will ensure that these standards are, at a minimum in compliance with the UN Global Compact.
- **People, health and safety:** Ensure a healthy working environment for all employees of the Santa Fe Group.
- **Environment:** Assume responsibility for reducing the Santa Fe Group's environmental footprint.
- **Anti-Corruption:** Maintain a zero tolerance approach to corruption in all its forms.

## 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 continues its goal of aligning sustainability objectives across all regions, implementing and sharing 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 2015

The Santa Fe Group's continuous focus on improving its sustainability performance led to a number of achievements in 2015.

**Ethics and behaviour:** The Santa Fe Group continued to embed guidelines on ethics and conduct across its operations. A top priority in 2015 has been to implement a revised version of The Santa Fe Group Code of Business Conduct. All country managers signed the revised Code. Parallel to this eLearning training on the UK Bribery Act 2010 was made available to all Santa Fe employees.

**Supplier standards:** Santa Fe Group also continued to provide eLearning training to its agents and suppliers on the UK Bribery Act. Agents and suppliers are required to complete quarterly declarations declaring if any instances of corruption have taken place within their organisation and declarations of any work accidents that have occurred on jobs for the Santa Fe Group.

**People, health and safety:** To maintain the high quality standards that result from high employee satisfaction and an acceptable employee turnover, the Santa Fe Group works to ensure good working conditions for all employees and strives to be an exemplary employer. Santa Fe undertook its first global employee engagement survey with participation of 77% of all employees. Partnering with the Great Place to Work® institute we are using the feedback from our employees in order to further build a trust-based culture and a dynamic working environment at all levels of the organisation.

**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 2015 including a cross-regional test of sustainable packing material with the aim of reducing waste. Projects such as route planning and the formal implementation of environmental management systems according to ISO 14001 continued. In 2015 the Santa Fe Group carbon footprint was calculated and analysed in accordance with the Greenhouse Gas Protocol (GHG Protocol) Corporate Standard developed

by World Resources Institute (WRI) and World Business Council on Sustainable Development (WBCSD).

**Giving back to our communities:** The Santa Fe Group continued its commitment to supporting three main charities via monetary contributions. Local offices have also engaged in a number of fundraisers in aid of local charities. In addition the Santa Fe Group utilised its logistical services to provide support to local communities and aid relief.

#### FOCUS AREAS IN 2016

Moving into 2016, the Santa Fe Group will continue its effort on improving its sustainability performance. The main focus for the Santa Fe Group will be related to:

**Ethics and behaviour:** The Ethics Awareness programme will continue throughout 2016 to ensure that the Santa Fe Group continues to guide and educate staff on good business practices.

The Santa Fe Group will maintain annual declarations by employees to ensure their understanding of the Code of Conduct. A key priority will be the launch of a revised Santa Fe Group Code of Business Conduct, Staff Guidebook.

**Supplier standards:** Santa Fe will continue to work with its supply chain to provide support and guidance via educational means and collecting quarterly declarations in order to ensure the Santa Fe Group is working with responsible businesses.

**People, health and safety:** In 2016 key focus will be on the implementation of Performance Management across Santa Fe with the introduction of consistent metrics for senior leaders and roll-out of the process through an online performance management system which ties seamlessly into our existing HR systems. The process will include the top two levels of the organisation in 2016 and will be further cascaded from 2017. The process has been designed in order to secure monthly 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 2016 global survey results.

**Environment:** The Santa Fe Group will improve the data captured to allow better reporting and monitoring of scope 1, 2 and 3 GHG emissions according to the GHG Protocol, Corporate Standard.

**Giving back to our communities:** The Santa Fe Group shall continue its monetary contributions to selected charities in 2016. In addition local offices are encouraged to provide support to their local communities and be open and approachable for regular engagement.

*For detailed information regarding the Santa Fe Group's Corporate Social Responsibility initiatives and targets please refer to the Santa Fe Group's UN Global Compact Progress Report*

# CORPORATE GOVERNANCE

This corporate governance report for Santa Fe Group A/S (“SFG”), cf. section 107b of the Danish Financial Statements Act, covers the period 1 January – 31 December 2015.

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 26-27)
- A description of internal control related to the financial reporting (page 29)

## 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 SFG: 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 SFG except as minority shareholders. The Board of Directors held a total of seven meetings and one teleconference in 2015. 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 24-25.

## SFG Governance Principles

SFG’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. SFG strives to maintain an open and active dialogue with its stakeholders, and responsible behaviour and respect for the environment form an integral part of SFG’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](http://www.corporategovernance.dk). SFG complies with the 47 recommendations except for the following:

- The Board of Directors undertakes an annual evaluation of its performance, achievements and composition. The procedures for this evaluation are informal and not suited for a schematic description in the annual report.

- 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 control and reporting procedures are subject to regular review. It is the view of the Board of Directors that establishing an internal audit function would not add any value to the existing procedures.

- 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 10 and 11 in the consolidated financial statements. SFG 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 2015 was approved at the Annual General Meeting in 2015 and is disclosed in note 10 to the consolidated financial statements. The remuneration for 2016 will be submitted for approval at the Annual General Meeting to be held on 7 April 2016.

BOARD OF DIRECTORS



**HENNING KRUSE PETERSEN**  
CHAIRMAN



**PREBEN SUNKE**  
DEPUTY CHAIRMAN



**CONNIE ASTRUP-LARSEN**  
BOARD MEMBER



**MICHAEL HAUGE SØRENSEN**  
BOARD MEMBER

EXECUTIVE BOARD



**MARTIN THAYSEN**  
GROUP CEO



**CHRISTIAN MØLLER LAURSEN**  
GROUP CFO

# BOARD OF DIRECTORS

## HENNING KRUSE PETERSEN

CEO, 2KJ A/S and Komplementarselskabet Midgard Denmark ApS

### Chairman

Joined the Board of Directors in 2006  
Born in 1947, Danish nationality.

### Other Board of Directors' assignments:

#### Chairman of the Board of Directors:

Sund & Bælt Holding A/S  
A/S Storebælt  
A/S Øresund  
A/S Femern Landanlæg  
Femern A/S  
Øresundsbro Konsortiet  
C.W. Obel A/S  
Den Danske Forskningsfond  
Scandinavian Private Equity A/S  
Erhvervsinvest Management A/S  
Midgard Denmark K/S

#### Deputy Chairman of the Board of Directors:

Asgard Ltd.  
Skandinavisk Holding A/S  
Skandinavisk Holding II A/S  
Fritz Hansen A/S

#### 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.

#### Special competencies:

Experience as CEO and board member of private, publicly owned and listed companies, strategy, economics, finance, risk management, acquisitions and divestments.

Holding of SFG shares as of 31.12.2015: 34,266  
Independent member

## PREBEN SUNKE

Group Chief Financial Officer and Member of the Executive Board of Danish Crown A/S

Joined the Board of Directors in 2007  
Born in 1961, Danish nationality.

### Other Board of Directors' assignments:

#### Chairman of the Board of Directors:

Danish Crown Insurance a/s  
Slagteriernes Arbejdsgiverforening

#### Deputy Chairman of the Board of Directors:

Agri-Norcold A/S

#### Member of the Boards of Directors:

Skandia Kalk Holding ApS

#### Special competencies:

Experience as CEO and board member international food corporations, economics, finance, accounting, auditing, risk management, acquisitions and divestments.

Holding of SFG shares as of 31.12.2015: 2,800  
Independent member

## CONNIE ASTRUP-LARSEN

CEO, KOMPAN A/S and KOMPAN Holding A/S

Joined the Board of Directors in 2007.  
Born in 1959, Danish nationality.

### Other Board of Directors' assignments

#### Chairman of the Board of Directors of companies controlled by KOMPAN A/S:

KOMPAN NV/SA, Belgium  
KOMPAN Ltd., England  
KOMPAN Suomi OY, Finland  
KOMPAN SAS, France  
KOMPAN Holding Germany, Germany  
KOMPAN Ireland Ltd., Ireland  
KOMPAN Norge AS, Norway  
KOMPAN Holding Norway AS, Norway  
KOMPAN Holding Sweden AB, Sweden  
KOMPAN Barnland AB, Sweden  
KOMPAN Scotland Ltd., Scotland  
KOMPAN, Inc., USA

#### Member of the Board of Directors of companies controlled by KOMPAN A/S:

KOMPAN Playscape Pty Ltd, Australia  
KOMPAN Commercial Systems SA, Belgium  
KOMPAN Danmark A/S, Denmark  
KOMPAN Italia, Srl., Italy  
Bee Polska Sp. z o.o., Poland  
KOMPAN Russia A/S, Russia  
OOO KOMPAN, Russia  
Juegos KOMPAN S.A., Spain

#### Special competencies:

Experience in establishing, developing and internationalising brand name companies, management, sales and marketing and company acquisitions.

Holding of SFG shares as of 31.12.2015: 16,100  
Independent member

## MICHAEL HAUGE SØRENSEN

Joined the Board of Directors in 2015  
Born in 1973, Danish nationality.

### Other Board of Directors' assignments:

#### Chairman of the Board of Directors:

TOP-TOY A/S, Denmark  
Fristads Kansas Group AB, Sweden

#### 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 Executive and Board Member of private and public international companies, business development, emerging markets, Asia Pacific, branding, production, supply chain and retail.

Holding of SFG shares as of 31.12.15: 0  
Independent member

## EXECUTIVE BOARD

### MARTIN THAYSEN

GROUP CEO

Group CEO of the parent company, Santa Fe Group A/S, and the Santa Fe Group business since 1 April 2015.

Born in 1971, Danish nationality.

Holds no Board of Directors positions outside of the Santa Fe Group

Holding of SFG shares as of 31.12.2015: 20,000

Number of share options: 60,000

### CHRISTIAN MØLLER LAURSEN

GROUP CFO

Group CFO and member of the Executive Board of the parent company, Santa Fe Group A/S since 18 May 2015.

Born in 1966, Danish nationality.

Holds no Board of Directors positions outside of the Santa Fe Group

Holding of SFG shares as of 31.12.2015: 8,000

Number of share options: 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 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.

- 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 accounts for more than 5% of total revenue.
- Focus on further developing the value proposition through investments in people and technology.

### 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' operations 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 of 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.

## GROUP KEY RISKS

## MITIGATING MEASURES

### Fraud and Corruption

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 29.
- Key controls in place are monitored through Control Self-Assessments and a new monitoring software is in a process of being implemented.
- The Santa Fe Group is conducting compliance training and annual certifications of adherence to code of conduct. In addition a Whistle-blower function has been set up.

### Subcontractors

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 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 is planned for implementation towards the end of 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 22 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 (SFG) to achieve its strategic ambition and to ensure that the financial reporting gives a true and fair view of the Group's financial position and performance without material errors and omissions.

## Control environment

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

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 SFG's financial reporting cycle comprises the annual budget, monthly 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 2 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 SFG has established a framework of internal control procedures for the group entities.

The control procedures are structured in a risk & control catalogue 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 financial reporting.

The risk & control catalogue 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 SFG assists the entities with training and support during visits and facilitation of workshops, etc. in order to ensure a consistently high level of the control environment within the SFG. During 2015 an Internal Control Manual was implemented.

Year-end and other reporting procedures as well as manuals regarding specific IFRS standards are handled by the SFG 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.

Senior management and controllers are visiting selected entities on a regular basis to ensure that adequate internal control procedures are maintained locally.

Twice a year, all material entities report to the SFG on the control procedures as set out by Group Management, confirming the effectiveness of the internal controls, as well as documenting their compliance. Furthermore, the external auditors are instructed to test specific internal controls on a sample basis during the interim audit. The results are summarised and reported to the Board of Directors and used when reviewing the risk assessment for the coming year.

In order to strengthen the monitoring of the internal control environment, the Group is in a process of implementing an internal control reporting software enabling the entities to report compliance and upload underlying documentation on a monthly basis.

# SHAREHOLDER INFORMATION

## Investor relations

Santa Fe Group (SFG) 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 SFG share.

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

SFG's 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, SFG 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 SFG share

SFG shares were traded at a price of DKK 65.5 at the end of the year on NASDAQ Copenhagen A/S. The share yielded an overall return of 26% during 2015. By comparison, the SmallCap index increased by 20% during that period.

The daily average turnover of SFG shares in 2015 was around DKK 2.6m, corresponding to a total traded volume of DKK 650m (DKK 854m). On 31 December 2015, the market capitalisation of SFG was DKK 787m.

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

For change of control matters related to employment contracts and other contracts, refer to note 10, page 50, and note 25, page 63.

## Share capital

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

As of 31 December 2015, SFG held 338,494 (338,494) treasury shares, equivalent to 2.7% of the total share capital. Treasury shares are held at zero value in SFG's books. Authorisation to acquire treasury shares is disclosed in note 15, page 56.

## Ownership information

At the end of 2015, approximately 15,000 shareholders were listed in SFG's register of shareholders (17,000). About 77% (77%) of SFG's total share capital is held by registered shareholders. The ten largest shareholders hold in aggregate 20% of the registered share capital. Some 15% of the

registered share capital is held by shareholders based outside Denmark.

## Register of shareholders

SFG'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.

SFG 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 SFG shares

As of 31 December 2015, the members of the Board of Directors and Executive Board combined held a total of 81,166 SFG shares (50,866 SFG shares). The Executive Board further held 92,000 share options.

SFG maintains a list of insiders in accordance with applicable law. Insiders and related persons may only undertake transactions in SFG shares during the four-week periods following publication of the annual or quarterly interim financial reports.

## KEY TRADING AND SHARE FIGURES AS OF 31 DECEMBER

	2015	2014	2013	2012	2011
Share closing price	65.5	52.0	79.5	95.0	118.5
Share high/low	78.5/45.2	93.5/50.5	124.0/75.5	172.5/91.5	180.0/108.0
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 (DKK m)	864	864	864	864	864
SFG's share of equity	722	722	1,139	2,998	2,680
Market value (DKK m)*	787	624	955	1,141	1,423
Earnings per share (EPS)**	-2.4	-21.7	-25.5	11.7	13.3
Equity per share*	60	60	95	250	223
Dividend per share (DKK)	0	16	0	0	5
P/E ratio	-27.3	-2.4	-3.4	8.1	8.9
P/BV	1.1	0.9	0.8	0.4	0.5
Payout ratio (%)	-	59	-	-	25

Per share ratios are calculated based on diluted earnings per share.

\* Excl. treasury shares.

\*\* Earnings per share for the continuing operations excl. treasury shares.

### Annual General Meeting and dividend

The Annual General Meeting of The Santa Fe Group A/S (formerly: The East Asiatic Company Ltd. A/S) will be held on:

Thursday, 7 April 2016 at 16:00 at:  
FIRST HOTEL COPENHAGEN  
Møstien 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 SFG website [investor.thesantafegroup.com](http://investor.thesantafegroup.com) together with other key shareholder information related to the AGM.

SFG aims to maintain the necessary equity to fund the SFG'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 2015 financial year.

### FURTHER INFORMATION

Contacts for institutional investors, analysts and media:

Group CEO Martin Thaysen  
Tel. +44 20 3691 8300

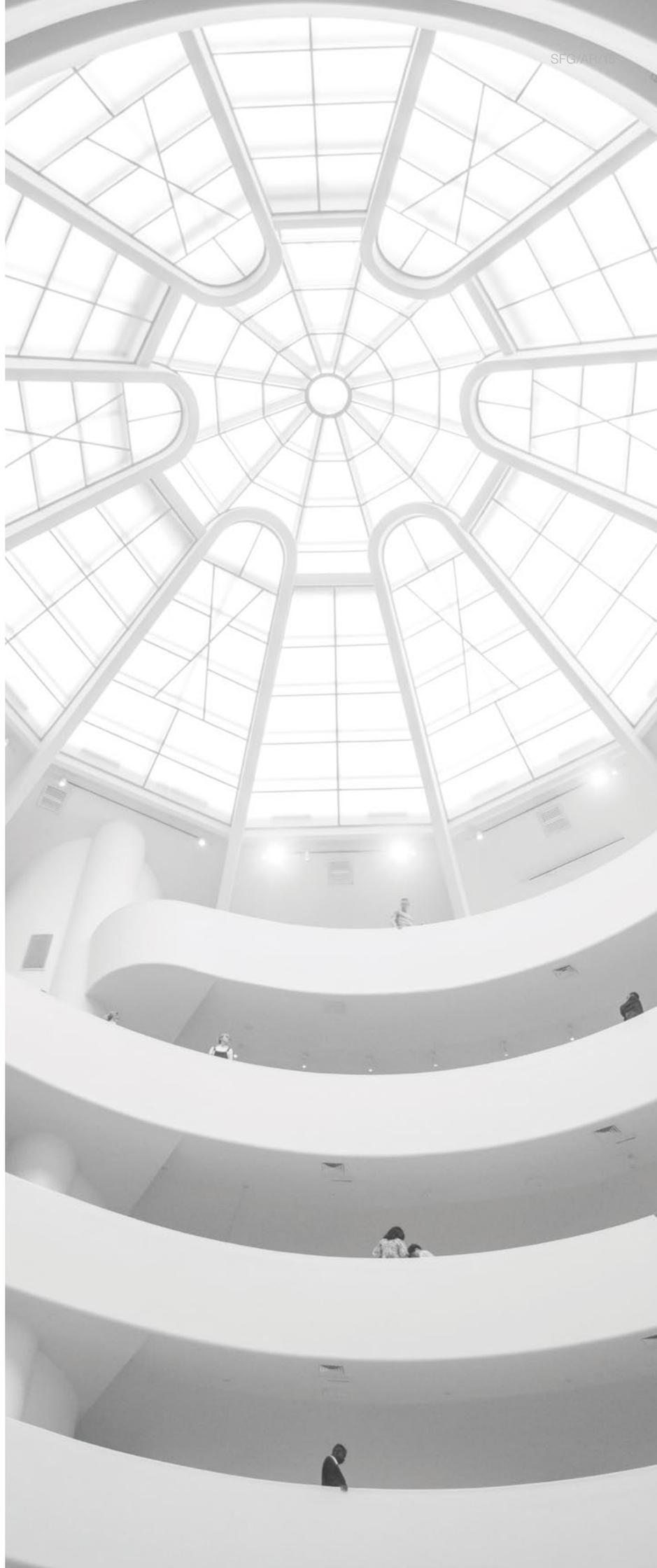
Group CFO Christian Møller Laursen  
Tel. +44 20 8963 2514

Contact for private shareholders:  
Shareholders' Secretariat  
Tel. +45 35 25 43 00  
E-mail: [investor@santafere.com](mailto:investor@santafere.com)  
[www.thesantafegroup.com](http://www.thesantafegroup.com)

### FINANCIAL CALENDAR 2016

03.03.	Annual Report 2015
07.04.	Annual General Meeting
19.05.	Interim Report Q1 2016
18.08.	Interim Report H1 2016
17.11.	Interim Report Q3 2016

Announcements to NASDAQ Copenhagen A/S during 2015, refer to the SFG website: [www.thesantafegroup.com/releases.cfm](http://www.thesantafegroup.com/releases.cfm)



# STATEMENT BY THE BOARD OF DIRECTORS AND 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 the financial year 2015.

The annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

It is our opinion that 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 financial position at 31 December 2015 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 2015.

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 conditions, the results for the year, cash flows and the financial position as well as a description of the most significant risks and uncertainty factors that the Group and the Parent Company face.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 3 March 2016

Santa Fe Group A/S

## Executive Board

**Martin Thaysen**  
Group CEO

**Christian Møller Laursen**  
Group CFO

## Board of Directors

**Henning Kruse Petersen**  
Chairman

**Preben Sunke**  
Deputy Chairman

**Connie Astrup-Larsen**

**Michael Hauge Sørensen**

# INDEPENDENT AUDITORS' REPORT

## To the shareholders of Santa Fe Group A/S

### Independent auditors' report on the consolidated financial statements and the Parent Company financial statements

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 2015, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies for the Group as well as for the Parent Company. The consolidated financial statements and the Parent Company financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

### Management's responsibility for the consolidated financial statements and the Parent Company financial statements

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

### Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the Parent Company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the Parent Company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the Parent Company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the Parent Company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and Parent Company financial statements that give a true and fair view 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated

financial statements and the Parent Company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

### Opinion

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 financial position at 31 December 2015 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 2015 in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

### Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the Parent Company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the Parent Company financial statements.

Copenhagen, 3 March 2016

## ERNST & YOUNG

Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Jesper Ridder Olsen  
State Authorised Public Accountant

Jens Thordahl Nøhr  
State Authorised Public Accountant

# REPORT

# CONSOLIDATED FINANCIAL STATEMENTS

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## CONSOLIDATED INCOME STATEMENT

EURm	Note	2015	2014
<b>Revenue</b>	4	<b>373.6</b>	<b>338.1</b>
Direct costs		210.3	188.2
Other external expenses		31.5	28.0
Staff costs	10	122.6	110.5
Other operating income	9	3.0	0.9
<b>Operating profit before amortisation, depreciation, impairment and special items</b>		<b>12.2</b>	<b>12.3</b>
Special items, net	10	-2.7	-2.5
<b>Operating profit before amortisation, depreciation and impairment</b>		<b>9.5</b>	<b>9.8</b>
Amortisation and depreciation of intangibles, property, plant and equipment	12,13	7.7	6.0
Impairment of goodwill and trademarks, etc.	12,13		38.7
<b>Operating profit/loss</b>		<b>1.8</b>	<b>-34.9</b>
Financial income	5	0.4	8.3
Financial expenses	5	3.8	10.8
Share of profit in associates		0.6	0.1
<b>Profit/loss before income tax expense</b>		<b>-1.0</b>	<b>-37.3</b>
Income tax expense	6	2.3	-3.6
<b>Profit/loss from continuing operations</b>		<b>-3.3</b>	<b>-33.7</b>
<b>Profit/loss from discontinued operations</b>	29	<b>-0.1</b>	<b>80.5</b>
<b>Net profit/loss for the year</b>		<b>-3.4</b>	<b>46.8</b>
<b>Attributable to:</b>			
Equity holders of the parent SFG		-4.0	43.9
Non-controlling interests		0.6	2.9
<b>Earnings per share (EUR)</b>	7	<b>-0.3</b>	<b>3.7</b>
From continuing operations		-0.3	-2.9
From discontinued operations		0.0	6.6
<b>Earnings per share diluted (EUR)</b>		<b>-0.3</b>	<b>3.7</b>
From continuing operations		-0.3	-2.9
From discontinued operations		0.0	6.6

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EURm	Note	2015	2014
<b>Net profit/loss for the year</b>		<b>-3.4</b>	<b>46.8</b>
<b>Other comprehensive income for the year:</b>			
<b>Items not reclassifiable to the income statement</b>			
Actuarial gain/(losses), defined benefit obligations		0.1	0.2
Taxes		0.0	0.0
<b>Total items not reclassifiable to the income statement, net of tax</b>		<b>0.1</b>	<b>0.2</b>
<b>Items reclassifiable to the income statement</b>			
Foreign currency translation adjustments, foreign entities		3.9	12.9
Foreign currency translation adjustments, transferred to profit from discontinued operations			-61.2
Foreign currency translation adjustments, transferred to financial items			-8.2
Devaluation of the Bolivar (VEF) in Plumrose, February 2014			-37.7
Inflation adjustment for the period (and at 1 January) in Plumrose			8.5
<b>Total items reclassifiable to the income statement, net of tax</b>		<b>3.9</b>	<b>-85.7</b>
<b>Total comprehensive income, net of tax</b>		<b>4.0</b>	<b>-85.5</b>
<b>Total comprehensive income for the year</b>		<b>0.6</b>	<b>-38.7</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent SFG		-0.2	-29.8
Non-controlling interests		0.8	-8.9

## CONSOLIDATED BALANCE SHEET – ASSETS

EURm	Note	31.12.15	31.12.14	01.01.14
<b>Non-current assets</b>				
Intangible assets	12	71.4	73.2	109.1
Property, plant and equipment	13	31.7	32.5	31.8
Investment in associates		3.3	2.8	2.5
Other investments		1.8	1.9	1.7
Deferred tax	6	2.4	1.3	1.5
Other receivables		1.8	1.6	1.1
<b>Total non-current assets</b>		<b>112.4</b>	<b>113.3</b>	<b>147.7</b>
<b>Current assets</b>				
Inventories		2.1	2.2	2.0
Trade receivables	16	64.2	73.8	61.3
Other receivables	17	31.6	30.9	24.3
Current tax receivable		0.5	0.8	0.3
Cash and cash equivalents		30.5	18.7	27.8
		128.9	126.4	115.7
Assets held for sale				447.1
<b>Total current assets</b>		<b>128.9</b>	<b>126.4</b>	<b>562.8</b>
<b>Total assets</b>		<b>241.3</b>	<b>239.7</b>	<b>710.5</b>

## CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

EURm	Note	31.12.15	31.12.14	01.01.14
<b>EQUITY</b>				
Share capital	15	115.9	115.9	115.9
Translation reserve		-3.6	-7.3	64.2
Treasury shares		-3.2	-3.2	-3.2
Retained earnings		-12.3	-8.4	-24.3
<b>SFG's share of equity</b>		<b>96.8</b>	<b>97.0</b>	<b>152.6</b>
Non-controlling interests		1.7	2.4	37.3
<b>Total equity</b>		<b>98.5</b>	<b>99.4</b>	<b>189.9</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	21	38.4	9.0	17.7
Deferred tax	6	2.0	2.8	10.3
Provisions for other liabilities and charges	18	1.7	1.7	0.9
Other liabilities		0.2		
Defined benefit obligations	19	2.3	2.0	2.1
<b>Total non-current liabilities</b>		<b>44.6</b>	<b>15.5</b>	<b>31.0</b>
<b>Current liabilities</b>				
Borrowings	21	1.7	29.9	41.3
Trade payables		52.6	56.9	49.8
Other liabilities	20	41.4	36.3	32.9
Current tax payable		2.0	1.7	1.5
Provisions for other liabilities and charges	18	0.5	0.0	0.0
		98.2	124.8	125.5
Liabilities held for sale				364.1
<b>Total current liabilities</b>		<b>98.2</b>	<b>124.8</b>	<b>489.6</b>
<b>Total liabilities</b>		<b>142.8</b>	<b>140.3</b>	<b>520.6</b>
<b>Total equity and liabilities</b>		<b>241.3</b>	<b>239.7</b>	<b>710.5</b>

## 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
<b>Equity at 1 January 2015</b>	<b>115.9</b>	<b>-7.3</b>	<b>-3.2</b>	<b>-8.4</b>	<b>0.0</b>	<b>97.0</b>	<b>2.4</b>	<b>99.4</b>
<b>Comprehensive income for the year</b>								
Loss for the year				-4.0		-4.0	0.6	-3.4
<b>Other comprehensive income</b>								
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
<b>Total comprehensive income for the year</b>		<b>3.7</b>	<b>0.0</b>	<b>-3.9</b>	<b>0.0</b>	<b>-0.2</b>	<b>0.8</b>	<b>0.6</b>
<b>Transactions with the equity holders</b>								
Dividends paid to non-controlling interests							-1.5	-1.5
<b>Total transactions with the equity holders</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.5</b>	<b>-1.5</b>
<b>Equity at 31 December 2015</b>	<b>115.9</b>	<b>-3.6</b>	<b>-3.2</b>	<b>-12.3</b>	<b>0.0</b>	<b>96.8</b>	<b>1.7</b>	<b>98.5</b>

No ordinary dividends are proposed for 2015.

<b>Equity at 1 January 2014</b>	<b>115.9</b>	<b>64.2</b>	<b>-3.2</b>	<b>-24.3</b>	<b>0.0</b>	<b>152.6</b>	<b>37.3</b>	<b>189.9</b>
<b>Comprehensive income for the year</b>								
Profit for the year				17.4	26.5	43.9	2.9	46.8
<b>Other comprehensive income</b>								
Foreign currency translation adjustments, foreign entities		12.5				12.5	0.4	12.9
Foreign currency translation adjustments, transferred to profit from discontinued operations		-61.2				-61.2		-61.2
Foreign currency translation adjustments, transferred to financial items		-8.2				-8.2		-8.2
Devaluation of the Bolivar (VEF) in Plumrose, February 2014		-22.0				-22.0	-15.7	-37.7
Inflation adjustment for the year (and at 1 January)		5.0				5.0	3.5	8.5
Actuarial gain/(losses), defined benefit obligations including reclassification during the year		3.6		-3.4		0.2		0.2
Tax on other comprehensive income including reclassification		-1.2		1.2		0.0		0.0
Total other comprehensive income		-71.5	0.0	-2.2	0.0	-73.7	-11.8	-85.5
<b>Total comprehensive income for the year</b>		<b>-71.5</b>	<b>0.0</b>	<b>15.2</b>	<b>26.5</b>	<b>-29.8</b>	<b>-8.9</b>	<b>-38.7</b>
<b>Transactions with the equity holders</b>								
Interim dividends paid to shareholders					-25.8	-25.8	-1.6	-27.4
Dividends, treasury shares				0.7	-0.7			
Divestment of non-controlling interests							-24.4	-24.4
<b>Total transactions with the equity holders</b>		<b>0.0</b>	<b>0.0</b>	<b>0.7</b>	<b>-26.5</b>	<b>-25.8</b>	<b>-26.0</b>	<b>-51.8</b>
<b>Equity at 31 December 2014</b>	<b>115.9</b>	<b>-7.3</b>	<b>-3.2</b>	<b>-8.4</b>	<b>0.0</b>	<b>97.0</b>	<b>2.4</b>	<b>99.4</b>

No ordinary dividends are proposed for 2014. During the year an interim dividend of DKK 16 (EUR 2.15) per share was paid.

## CONSOLIDATED CASH FLOW STATEMENT

EURm	Note	31.12.15	31.12.14
<b>Cash flows from operating activities</b>			
Operating profit/loss		1.8	-34.9
Adjustment for:			
Depreciation and amortisation and impairment losses	12,13	7.7	44.7
Other non-cash items	23	-1.8	-1.0
Change in working capital	24	10.2	-8.1
Interest paid		-2.0	-2.0
Interest received		0.3	0.1
Corporate tax paid		-3.7	-4.1
<b>Net cash flow from operating activities</b>		<b>12.5</b>	<b>-5.3</b>
<b>Cash flows from investing activities</b>			
Dividends received from associates		0.1	0.2
Investments in intangible assets and property, plant and equipment	12,13	-3.5	-4.6
Proceeds from sale of non-current assets		2.5	0.4
Acquisition of activities		0.0	-0.5
Proceeds from sale of discontinued operations (less restricted cash balances disposed)	29	0.0	-24.2
Change in non-current investments		0.5	-0.4
<b>Net cash flow from investing activities</b>		<b>-0.4</b>	<b>-29.1</b>
<b>Net cash flow from operating and investing activities</b>		<b>12.1</b>	<b>-34.4</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		34.5	1.2
Repayment of borrowings		-34.0	-22.9
Dividends paid out to non-controlling interests in subsidiaries		-1.5	-1.7
Dividends paid			-25.8
<b>Net cash flow from financing activities</b>		<b>-1.0</b>	<b>-49.2</b>
Net cash flow from discontinued operations			34.5
<b>Changes in cash and cash equivalents</b>		<b>11.1</b>	<b>-49.1</b>
Cash and cash equivalents at beginning of year, continuing operations		18.7	27.8
Cash and cash equivalents at beginning of year presented as discontinued operations			64.5
Translation adjustments of cash and cash equivalents (including devaluation impact)		0.7	-24.5
<b>Cash and cash equivalents at end of year</b>		<b>30.5</b>	<b>18.7</b>

## 1. ACCOUNTING POLICIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

### General information

The Santa Fe Group A/S, formerly known as The East Asiatic Company Ltd. 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 3 March 2016, the Board of Directors approved this annual report for publication and approval by the shareholders at the annual general meeting to be held on 7 April 2016.

The financial statements are presented in EUR million unless otherwise stated. When amounts of EUR 0.0 are used, the actual number is less than EUR 50 thousand unless otherwise stated.

### Legal merger with the fully owned subsidiary Santa Fe Group Holdings Ltd. A/S in 2015

During 2015, it was decided to legally merge the Parent Company, Santa Fe Group A/S, and its wholly owned subsidiary, Santa Fe Group Holding Ltd. A/S (the former sub-holding company for the Santa Fe Group), with Santa Fe Group A/S being the continuing company. According to the registration with the Danish Business Authorities, the merger was completed 29 July 2015 with legal effect as of 1 January 2015. The group internal merger has had no impact on the consolidated financial statements.

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

### Basis of preparation of the consolidated financial statements

The consolidated financial statements of the Santa Fe Group for 2015 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

Accounting estimates and judgements considered material for the preparation of the consolidated financial statements are described in note 2.

### Changes in accounting policies and estimates

The Group has adopted the IFRS standards and amendments that are effective from 1 January 2015. None of these have affected recognition and measurement. The Group has not early adopted

any other standard, interpretation or amendment that has been issued but is not yet effective.

Change of presentation currency to EUR is described below.

Significant changes in accounting estimates are disclosed in note 2.

New accounting regulation for the coming years is disclosed in note 3.

### Change in presentation currency

With effect from 1 January 2015 the Santa Fe Group has changed the currency in which it presents its consolidated financial statements from Danish Kroner (DKK) to Euro (EUR), which will be the presentation currency going forward. The EUR has been selected as presentation currency as it represents the predominant functional currency within the Santa Fe Group considering the size and scale of the EMEA business.

Net profit, comprehensive income, total assets and total equity are unaffected by these presentational changes apart from the translation from DKK to EUR as further detailed below.

Following the change in presentation currency, the financial information as previously reported in the Group's consolidated financial statements has been restated from DKK into EUR using the procedures outlined below, as if EUR had always been the Santa Fe Group's presentational currency:

- assets and liabilities of foreign operations where the functional currency is not EUR have been translated into EUR at the relevant closing rates of exchange. Profit and loss items were translated into EUR at the relevant average rates of exchange. Differences arising from the retranslation of the opening net assets and the results for the year are recognised in the foreign currency translation reserve; and
- the cumulative foreign currency translation reserve was set to nil at 1 January 2004 as part of the transition to IFRS. All subsequent foreign exchange rate differences, including the differences arising from the retranslation of the opening net assets of non-EUR subsidiaries have been recognised in the foreign currency translation reserve. Share capital, share premium and other reserves were translated at the historic rates prevailing at the dates of transactions.

The comparatives for the year ending 31 December 2014 have been translated into EUR accordingly.

In addition to the comparative information in respect of the previous period provided in these consolidated financial statements, the Group presents an additional balance sheet as at 1 January 2014 due to the change of presentation currency.

### 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.

### Non-controlling interests

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.

## 1. ACCOUNTING POLICIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

### Associates

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.

### Operating segments

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

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

Segment revenue and costs and segment assets and liabilities comprise items which are directly attributable to the individual segment and certain allocated items. Unallocated items primarily comprise the Santa Fe Parent Company's administrative functions, non-core and dormant entities awaiting liquidation.

### Discontinued operations and assets held for sale

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.

In 2014, the Plumrose business (disposal group) was divested and presented as discontinued operations. Plumrose was derecognised when control was transferred on 8 April 2015, and Santa Fe Group's share of accumulated foreign exchange and hyperinflation adjustments related to Plumrose was recycled from other comprehensive income to net profit from discontinued operations.

Further information about the divestment is disclosed in note 29.

### 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.

### Derivative financial instruments

Derivative financial instruments are recognised in the balance sheet at fair value from the trade date. Positive and negative fair values of derivative financial instruments are included as other receivables and other liabilities, respectively.

Changes in the fair value of derivatives, which do not qualify for hedge accounting, are recognised immediately in the income statement.

### Fair value estimation

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.

## INCOME STATEMENT

### Revenue recognition

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.

**Direct costs** 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.

**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.

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

**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.

**Special items** consist of restructuring costs related to the corporate restructuring of the former EAC conglomerate into a one-business company, and other one-off restructuring costs related to major organisational changes within the Santa Fe Group.

## 1. ACCOUNTING POLICIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

**Amortisation and depreciation of intangibles, property, plant and equipment** are recognised based on the amortisation and depreciation profiles determined for the assets.

**Impairment of goodwill and trademarks, etc.** includes impairment charges related to goodwill and trademarks.

**Financial income and expense** 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.

### Corporation tax and deferred tax

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.

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.

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.

## ASSETS

### Intangible assets

#### 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.

#### Software

The cost of acquired software licences comprises the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

Costs 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 costs are amortised over their estimated useful lives.

Trademarks with finite useful life:

Useful life depending on the strength of the trademark and expected use, normally max. 20 years.

Software etc.	3-5 years
None-competitve 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

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

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

Subsequent costs 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.

### Leases

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.

### Impairment of non-current assets

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).

**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.

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

## 1. ACCOUNTING POLICIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

### SHAREHOLDERS' EQUITY

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 costs) 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.

### LIABILITIES

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.

#### Employee benefits

##### *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 costs 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.

##### *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.

##### *Share option programme*

The Santa Fe Group operates an equity-settled, share-based compensation plan (Matching shares). The value of services received in exchange for options granted is measured at the grant date fair value of the options granted using an appropriate valuation method. The fair value is recognised as staff costs in the income statement with a corresponding entry in equity, over the period in which the service conditions are fulfilled (the vesting period). At the initial recognition of the share options the number of options expected to vest are estimated. Subsequently, the amount is adjusted for changes in the estimate of the number of options ultimately vested.

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.

### STATEMENT OF CASH FLOWS

**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.

## 2. 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 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 12. The carrying amount of goodwill and trademarks at the balance sheet date is EUR 63.5m (2014: EUR 64.1m) For further information refer to note 12.
- In 2014, the Group launched a brand alignment initiative in Australia after which the Australian **Wridgways trademarks** will be used together with the Santa Fe trademark for the domestic moving service in Australia, whereas all other services are marketed under the Santa Fe trademark. Based on an expected domestic dual-branding strategy over a period of 10 years, the Wridgways trademarks (EUR 13.0m net carrying amount at 31 December 2015) are amortised over the remaining useful life of 9 years. The **Interdean trademark** in Europe has been abandoned end of Q1 2015 according to plan and prior year's impairment of EUR 26.8m has been maintained.
- Write-down is made for **trade receivables** based on an assessment of the collectability at the balance sheet date. Due to a high credit quality of trade receivables, the risk of bad debt losses is not considered significant despite a relatively high ratio of receivables past due though significantly reduced compared to 2014, see note 16. The carrying amount of trade receivables at the balance sheet date is EUR 64.2m (2014: EUR 73.8m).
- The useful life for **property, plant and equipment** is set on the basis of periodic examinations of actual useful lives and the planned use of property, plant and equipment. Such examinations are carried out or updated when new events occur which may affect the setting of

the useful life of property, plant and equipment, for example, when events or circumstances occur which indicate that the carrying amount of property, plant and equipment is greater than the recoverable amount and therefore should be impairment tested. Any change in the useful life for property, plant and equipment is included in the financial statements as soon as such a change has been identified. The carrying amount of property, plant and equipment at the balance sheet date is: EUR 31.7m (2014: EUR 32.5m). See note 13.

### 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.

## 3. NEW 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 2015:

- IFRS 9, IFRS 14, IFRS 15, IFRS 16, 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 2012-2014
- 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 90m (undiscounted) at year-end 2015, which potentially should be recognised in the balance sheet

Of the above, IFRS 9, IFRS 14, IFRS 15, IFRS 16 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:

## 4. OPERATING SEGMENTS

EURm	EMEA		Asia		Australia		Santa Fe Group (Reportable segment)		Parent and unallocated activities		Santa Fe Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>Income statement</b>												
Total revenue	235.5	203.2	131.5	108.2	72.7	80.0	439.7	391.4	0.0	0.0	439.7	391.4
Internal revenue	39.0	31.5	23.8	19.1	3.3	2.7	66.1	53.3	0.0	0.0	66.1	53.3
<b>External revenue</b>	<b>196.5</b>	<b>171.7</b>	<b>107.7</b>	<b>89.1</b>	<b>69.4</b>	<b>77.3</b>	<b>373.6</b>	<b>338.1</b>	<b>0.0</b>	<b>0.0</b>	<b>373.6</b>	<b>338.1</b>
<b>Operating profit before amortisation, depreciation, impairment and special items (EBITDA)</b>	<b>2.6</b>	<b>5.3</b>	<b>15.7</b>	<b>10.3</b>	<b>-3.1</b>	<b>0.5</b>	<b>15.2</b>	<b>16.1</b>	<b>-3.0</b>	<b>-3.8</b>	<b>12.2</b>	<b>12.3</b>
Special items, net	-0.9	0.0	-0.4	0.0	-0.7	0.0	-2.0	0.0	-0.7	-2.5	-2.7	-2.5
Amortisation and depreciation	2.3	2.1	2.2	1.8	3.2	1.9	7.7	5.8	0.0	0.2	7.7	6.0
Impairment	0.0	26.8	0.0	0.0	0.0	10.7	0.0	37.5	0.0	1.2	0.0	38.7
<b>Reportable segment operating profit/loss (EBIT) from continuing operations</b>	<b>-0.6</b>	<b>-23.6</b>	<b>13.1</b>	<b>8.5</b>	<b>-7.0</b>	<b>-12.1</b>	<b>5.5</b>	<b>-27.2</b>	<b>-3.7</b>	<b>-7.7</b>	<b>1.8</b>	<b>-34.9</b>
Financials, net	-4.2	-13.0	0.6	1.2	-0.7	-0.5	-4.3	-12.3	0.9	9.8	-3.4	-2.5
Share of profit from associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.1	0.6	0.1
<b>Profit/loss before tax from continuing operations</b>	<b>-4.8</b>	<b>-36.6</b>	<b>13.7</b>	<b>9.7</b>	<b>-7.7</b>	<b>-12.6</b>	<b>1.2</b>	<b>-39.5</b>	<b>-2.2</b>	<b>2.2</b>	<b>-1.0</b>	<b>-37.3</b>
Income tax expense	0.8	-5.9	3.4	2.7	-0.8	-0.6	3.4	-3.8	-1.1	0.2	2.3	-3.6
<b>Reportable segment profit/loss from continuing operations</b>	<b>-5.6</b>	<b>-30.7</b>	<b>10.3</b>	<b>7.0</b>	<b>-6.9</b>	<b>-12.0</b>	<b>-2.2</b>	<b>-35.7</b>	<b>-1.1</b>	<b>2.0</b>	<b>-3.3</b>	<b>-33.7</b>
Discontinued operations											-0.1	80.5
<b>Net profit/loss for the year</b>											<b>-3.4</b>	<b>46.8</b>
<b>Balance sheet</b>												
Segment assets	128.9	130.5	70.6	62.4	39.5	41.3	239.0	234.2	2.3	5.5	241.3	239.7
Investment in intangible assets and property, plant and equipment	1.5	1.8	1.8	2.3	0.5	1.2	3.8	5.3	0.0	0.0	3.8	5.3
Investment in associates	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.1	3.2	2.7	3.3	2.8
Segment liabilities	58.5	82.4	31.3	29.1	16.3	22.2	106.1	133.7	36.7	6.6	142.8	140.3

The segment reporting is based on the internal management reporting.

Reconciliation items in "Parent and unallocated items" are primarily related to corporate costs and corporate assets including cash and cash equivalents held by the Parent Company.

## 4. OPERATING SEGMENTS CONTINUED

EURm	External revenue		Non-current assets <sup>1</sup>	
	2015	2014	2015	2014
Australia	69.4	77.3	22.0	24.9
Hong Kong	29.0	21.7	13.3	12.3
China	25.5	25.2	5.5	5.4
Singapore	18.7	14.6	0.9	0.8
United Kingdom	59.0	46.4	2.2	1.9
Germany	32.5	30.8	1.6	1.1
France	28.2	26.1	7.2	7.6
Other countries and unallocated non-current assets	111.3	96.0	57.3	58.0
<b>Total operating segments</b>	<b>373.6</b>	<b>338.1</b>	<b>110.0</b>	<b>112.0</b>

<sup>1</sup> Excluding deferred tax assets.

## Revenue by business lines and segments

EURm	2015				2014			
	EMEA	Asia	Australia	Santa Fe Group	EMEA	Asia	Australia	Santa Fe Group
Moving Services	160.9	75.5	66.8	303.2	145.3	62.8	75.1	283.2
Relocation Services	34.9	16.3	2.6	53.8	25.6	14.1	2.2	41.9
Records management	0.7	15.9		16.6	0.8	12.2		13.0
<b>Total revenue</b>	<b>196.5</b>	<b>107.7</b>	<b>69.4</b>	<b>373.6</b>	<b>171.7</b>	<b>89.1</b>	<b>77.3</b>	<b>338.1</b>

## 5. FINANCIAL INCOME/EXPENSES

EURm	2015	2014
Interest income on financial assets measured at amortised cost	0.1	0.1
Foreign exchange gains transferred from other comprehensive income	0.0	8.1
Dividends from shares, external	0.2	0.0
Other interest income	0.1	0.1
<b>Total financial income</b>	<b>0.4</b>	<b>8.3</b>
Interest expenses and fees on financial liabilities measured at amortised cost	2.0	2.0
Foreign exchange losses, net	1.8	8.8
<b>Total financial expenses</b>	<b>3.8</b>	<b>10.8</b>
<b>Total, net</b>	<b>-3.4</b>	<b>-2.5</b>

## 6. INCOME TAX EXPENSE

EURm	2015	2014
Current tax on profit for the year	3.8	3.2
Change in deferred tax during the year	-2.0	-7.2
<b>Corporate income tax</b>	<b>1.8</b>	<b>-4.0</b>
Withholding tax	0.5	0.4
<b>Income tax expense</b>	<b>2.3</b>	<b>-3.6</b>
Profit before income tax	-1.0	-37.3
Share of profit in associates	-0.6	-0.1
<b>Profit before income tax, excluding share of profit in associates</b>	<b>-1.6</b>	<b>-37.4</b>
<b>Reported effective corporate tax rate (per cent)</b>	<b>-112.5</b>	<b>10.7</b>
Danish corporate tax rate in per cent	23.5	24.5
<b>Corporation tax rate explanation</b>		
Calculated Danish corporate income tax expense	-0.4	-9.2
The tax effect from:		
Non-deductible impairment losses		3.2
Differences from non-taxable income / non-deductible expenses	0.7	0.2
Difference in tax rate of non-Danish companies	-1.2	-0.3
Tax losses for which no deferred tax asset was recognised	3.4	0.7
Write-down of deferred tax assets	0.3	0.3
Utilization of tax losses not previously recognised	0.0	-0.1
Prior year tax adjustment	-1.0	1.3
Other	0.0	0.0
<b>Reported corporate income tax expense</b>	<b>1.8</b>	<b>-4.0</b>

Deferred tax EURm	2015		2014	
	Assets	Liabilities	Assets	Liabilities
Fixed assets	0.1	3.8	0.1	3.8
Current assets, net	0.9	0.4	0.5	1.3
Non-current debt	0.0		0.0	
Current debt	0.3	0.1	0.4	0.0
Other liabilities	0.2	0.3	0.3	0.4
Losses carried forward	1.6		1.5	0.1
Provisions	2.1	0.2	1.3	0.0
Deferred tax assets / liabilities	5.2	4.8	4.1	5.6
Set-off within legal tax unit	2.8	2.8	2.8	2.8
<b>Deferred tax assets / liabilities</b>	<b>2.4</b>	<b>2.0</b>	<b>1.3</b>	<b>2.8</b>

The Group did not recognise deferred tax assets of EUR 10.2m (EUR 8.4m) in respect of tax losses carried forward amounting to EUR 45.7m (EUR 37.6m) due to uncertainty with respect to utilisation within the foreseeable future. The tax losses are primarily related to the SFG 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.

## 7. EARNINGS PER SHARE

EURm	2015	2014
Profit/loss from continuing operations	-3.3	-33.7
Non-controlling interest	0.6	1.3
SFG's share of profit from continuing operations	-3.9	-35.0
Profit/loss from discontinued operations	-0.1	80.5
Non-controlling interest	0.0	1.6
SFG's share of profit from discontinued operations	-0.1	78.9
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
<b>Diluted average number of shares</b>	<b>12,009,566</b>	<b>12,009,566</b>
At 31 December 2015, all of the outstanding share options are out-of-the-money. Outstanding share options, as further explained in note 11, may dilute EPS in the future.		
<b>Earnings per share (EUR)</b>	<b>-0.3</b>	<b>3.7</b>
from continuing operations	-0.3	-2.9
from discontinued operations	0.0	6.6
<b>Earnings per share diluted (EUR)</b>	<b>-0.3</b>	<b>3.7</b>
from continuing operations	-0.3	-2.9
from discontinued operations	0.0	6.6

## 8. AUDIT FEES

EURm	2015	2014
<b>Auditors appointed at the annual general meeting including network firms</b>		
Statutory audit	0.5	0.4
Other assurance services	0.1	0.0
Tax/VAT advisory services	0.1	0.1
Other non-audit services	0.1	0.1
<b>Ernst &amp; Young P/S (also included above)</b>		
Statutory audit	0.1	0.1
Other assurance services	0.0	0.0
Tax/VAT advisory services	0.0	0.1
Other non-audit services	0.0	0.1

## 9. OTHER OPERATING INCOME

EURm	2015	2014
Gain on disposal of warehouse in Singapore	2.0	
Other	1.0	0.9
<b>Total</b>	<b>3.0</b>	<b>0.9</b>

## 10. STAFF COSTS AND SPECIAL ITEMS

EURm	2015	2014
Salaries and wages to employees	100.9	91.5
Salaries to the Executive Board of the Parent Company	1.7	1.5
Board fees to the Board of Directors of the Parent Company (fixed fee only)	0.2	0.2
Pension, defined contribution schemes	4.6	4.4
Pension, defined benefit schemes	0.4	0.3
Social security costs	10.8	9.6
Other staff expenses	6.0	5.5
Total staff costs including special items	124.6	113.0
of which special items	-2.0	-2.5
<b>Total staff costs</b>	<b>122.6</b>	<b>110.5</b>
<b>Of which compensation to Executive Board (2014: Executive Management)</b>		
Salaries and other short-term employee benefits	1.7	0.8
Equity-settled share-based payment	0.0	
Termination benefits (severance pay)	0.0	1.1
<b>Total</b>	<b>1.7</b>	<b>1.9</b>
<b>Number of employees</b>		
	<b>2015</b>	2014
SFG Group average, continuing operations	2,972	2,994
SFG Group end period, continuing operations	2,908	2,969

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.

### New CEO

As announced in 2014, the then current CEO retired from his position during the first half of 2015 as part of the planned generational handover to a new CEO. In accordance with the agreed terms, the CEO was paid one year salary as severance pay upon retirement. The costs related to change of Group CEO are primarily included in 2014.

### Special items

Special items, EUR 2.7m in total (EUR 2.5m), include severance pay as well as other staff costs of EUR 2.0m (EUR 2.5m) as further detailed below:

EURm	2015	2014
Severance pay to former Group CEO and business unit CEO and other staff related costs in Copenhagen	0.7	2.5
Restructuring costs, Australia (severance pay and closing of branches)	0.7	
Onerous lease cost provision related to discontinued use of warehouses in France (2016-17)	0.5	
Restructuring costs, Portugal (primarily staff related)	0.4	
Other	0.4	
<b>Total</b>	<b>2.7</b>	<b>2.5</b>

## 11. INCENTIVE SCHEMES

### Share options

SFG operated a share option program, according to which the management and certain other key employees in the Santa Fe Group (formerly EAC Group) were granted share options. The program was adopted by the Annual General Meeting in 2007. The program expired during 2015 and none of the remaining exercisable (132,500) options were exercised during 2015.

A new 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 ([www.thesantafegroup.com](http://www.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.

Grant year	Exercise year	Number of share options				Exercise price	Grant date fair value 2015	
		1 Jan	Granted	Expired/ lapsed	31 Dec		EUR per option	EURm
<b>Executive Board</b>								
2009	2012-2015	22,000		22,000	0	112.0		0.0
2015	2016-2017	0	92,000		92,000	63.2	1.16	0.1
<b>Total</b>		<b>22,000</b>	<b>92,000</b>	<b>22,000</b>	<b>92,000</b>			<b>0.1</b>
<b>Management Team</b>								
2009	2012-2015	30,000		30,000	0	112.0		0.0
2015	2016-2017	0	17,300		17,300	63.2	1.16	0.0
<b>Total</b>		<b>30,000</b>	<b>17,300</b>	<b>30,000</b>	<b>17,300</b>			<b>0.0</b>
<b>Other senior executives</b>								
2009	2012-2015	80,500		80,500	0	112.0		0.0
<b>Total</b>		<b>80,500</b>	<b>0</b>	<b>80,500</b>	<b>0</b>			<b>0.0</b>
<b>Total</b>		<b>132,500</b>	<b>109,300</b>	<b>132,500</b>	<b>109,300</b>			<b>0.1</b>

## 11. INCENTIVE SCHEMES CONTINUED

EURm	2015
Calculation of the grant date fair value of the outstanding share options using Black Scholes formula was based on the following assumptions:	
<b>2015 grants</b> (Matching Option Incentive Program)	
Share price (DKK)	58.5
Exercise price (DKK)	63.2
Expected duration (years)	1.67
Dividend yield (%) – the exercise price is adjusted for dividend	0
Risk-free interest rate (%)	-0.3
Volatility (%) – historic over the last two years	34.0

Share options outstanding as of 31 December 2015 have an expected remaining duration of 1.25 years (2014: 0 year) with an exercise price of DKK 63.2 (EUR 8.5) per option (2014: DKK 112 (EUR 15) per option).

The determined EBITDA before special items goal for 2015 was not met (impacting 54,650 options). The total cost recognised in the income statement in 2015 was EUR 0.0m (2014: 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 2015.

## 12. INTANGIBLE ASSETS

EURm	Goodwill	Trademarks <sup>1</sup>	Software	Other <sup>2</sup>	Total
<b>2015</b>					
<b>Cost:</b>					
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	0.0	0.0	0.3	0.0	0.3
Disposals	0.0	0.0	0.0	0.0	0.0
31.12.	83.2	46.4	6.4	11.8	147.8
<b>Amortisation/impairment:</b>					
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	0.0	1.5	0.5	0.9	2.9
Disposals	0.0	0.0	0.0	0.0	0.0
31.12.	32.8	33.3	5.7	4.6	76.4
<b>Carrying amount 31.12.</b>	<b>50.4</b>	<b>13.1</b>	<b>0.7</b>	<b>7.2</b>	<b>71.4</b>
2014					
<b>Cost:</b>					
01.01.	79.7	45.7	5.3	11.5	142.2
Translation adjustments	2.5	0.8	0.4	0.1	3.8
Additions due to business combinations	0.4	0.0	0.0	0.1	0.5
Additions	0.0	0.0	0.2	0.0	0.2
Disposals	0.0	0.0	0.0	0.0	0.0
31.12.	82.6	46.5	5.9	11.7	146.7
<b>Amortisation/impairment:</b>					
01.01.	26.4	0.0	4.0	2.7	33.1
Translation adjustments	1.1	0.0	0.3	0.1	1.5
Impairment for the year	5.6	31.9	0.0	0.0	37.5
Amortisation for the year	0.0	0.0	0.6	0.8	1.4
Disposals	0.0	0.0	0.0	0.0	0.0
31.12.	33.1	31.9	4.9	3.6	73.5
<b>Carrying amount 31.12.</b>	<b>49.5</b>	<b>14.6</b>	<b>1.0</b>	<b>8.1</b>	<b>73.2</b>

<sup>1</sup> The Wridgways (Australia) trademark amounting to EUR 13.0m (EUR 14.6m) is amortised over the useful life of 10 years as from 1 January 2015.

<sup>2</sup> Other intangible assets are mainly related to customer relationships, supplier contracts and non-compete agreements.

## 12. INTANGIBLE ASSETS CONTINUED

### Assessment of trademarks

The implications of the Santa Fe Group's global brand alignment initiative was considered at year-end 2014 with regards to useful life assessment of trademarks with an indefinite useful life.

For EMEA, the Santa Fe brand is increasingly being used in connection with the recent global corporate contract wins and based on an assessment of the relative market position of the Interdean brand, it was decided to fully implement the Santa Fe brand for all services and customer segments at the end of the first quarter 2015, effectively abandoning the Interdean trademark. Based on the assessment that the remaining value in use of the Interdean trademark at 31 December 2014 therefore is negligible and further that the Interdean trademark does not have any material fair value (less costs of disposal), the carrying amount of the Interdean trademark of EUR 26.8m (EUR 19.5m net of deferred tax) was fully impaired at year-end 2014. In 2015, the Interdean trademark was abandoned according to plan and no changes in the 2014 impairment have been identified.

In Australia, the Santa Fe brand was launched for all relocation services during 2014. Due to its relative strong market position within the domestic market, the Wridgways trademark continues to be used dual with the Santa Fe brand for all domestic moving services expectedly over a period of 10 years. Consequently, the useful life of the Wridgways trademark was reassessed to finite at year-end 2014 and has accordingly been amortised over a useful life of 10 years with effect from 1 January 2015. The Wridgways trademark has been impairment tested at 31 December 2015 as part of the cash-generating unit, which did not result in further impairments (2014: an impairment loss related to the trademark amounted to EUR 5.2m), as further detailed below.

### Impairment assessment of cash-generating units

At 31 December 2015, Management completed the annual impairment testing of cash generating units to which goodwill is allocated. The impairment testing was done in Q4 2015 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		2015	Trademarks 2014	2015	Goodwill 2014
<b>Acquisition</b>	<b>Country</b>				
Global Silverhawk <sup>1</sup>	Asia			5.9	5.3
Santa Fe India	India			4.5	4.2
Wridgways Australia Ltd.	Australia	13.1	14.6		
Interdean International Relocation Group <sup>2</sup>	EMEA			39.1	39.1
Other				0.9	0.9
<b>Total</b>		<b>13.1</b>	<b>14.6</b>	<b>50.4</b>	<b>49.5</b>

<sup>1</sup> Indonesia, Japan, Malaysia and the Philippines.

<sup>2</sup> 35 countries across Europe (including Russia) and Central Asia.

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 <sup>3</sup>		Revenue (CAGR)		EBITDA margin in the		Growth in the		Discount rates		Discount rates	
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Global Silverhawk <sup>1</sup>	Asia	6.7	6.9	17.6	14.9	1.0	1.0	14.5	10.2	11.0	8.1
Santa Fe India	India	9.4	8.7	14.8	12.3	2.0	2.0	17.3	11.7	12.3	8.6
Wridgways Australia Ltd.	Australia	4.0	4.7	5.6	5.7	0.5	0.5	13.2	13.9	10.6	10.6
Interdean International Relocation Group <sup>2</sup>	EMEA	5.0	5.1	4.6	5.0	1.0	1.0	10.5	10.4	8.4	8.4

<sup>1</sup> Indonesia, Japan, Malaysia and Philippines.

<sup>2</sup> 35 countries across Europe (including Russia) and Central Asia.

<sup>3</sup> The key assumptions applied in the impairment tests are used for accounting purposes and should not be considered a forward-looking statement.

## 12. INTANGIBLE ASSETS CONTINUED

Revenue growth is in the forecast period assumed above GDP growth (according to the World Bank) reflecting the expected increase within relocation services driven by implementation of new contracts. For Australia, a growth of 2.6% is expected for 2016 (2014: no growth expected in 2015).

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 other initiatives taken under the 'Fix the Core' programme as described on page 11.

Working capital is assumed to decrease in 2016 despite implementation of new contracts with longer credit terms, etc., which is linked to the continued effort to reduce overdue receivables. In the remaining forecast period working capital is expected to increase slightly more than revenue.

Capital expenditures (maintenance) assumed in line with annual depreciation. However, the Core Technology programme (refer to page 26-27) will result in additional capital expenditures for EMEA during the forecast period, which have been anticipated in the forecast. Growth in the terminal period 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 risk premium specifically for Wridgways and Interdean to reflect uncertainty related to projected revenue and earnings growth in light of recent years' track record for the cash-generating units.

### Impairment of goodwill

No impairment losses related to goodwill were identified during 2015.

In 2014, Australia was impacted by the continued weak economic business conditions on the Australian market with intensive competition and pressure on margins and an adverse development towards the end of the year. At 31 December 2014, the value in use calculation applying above key assumptions showed an impairment loss related to Wridgways Australia Ltd. in the amount of EUR 10.6m (in addition to EUR 26.8m recognised in 2013), of which EUR 5.5m related to goodwill and EUR 5.2m related to trademarks. Impairment losses have been recognised in the income statement in a separate line.

### Sensitivity test

For Australia, sensitivity tests show that a zero growth rate in the terminal period will result in an impairment loss of approximately EUR 1.0m (EUR 4.4m). An increase of the discount rate after tax by 1.0 percentage point will result in an impairment loss of approximately EUR 2.1m (EUR 2.7m). A decrease in the EBITDA margin or revenue growth assumed (in each year of the forecast (2016-2020) and terminal period) by 1.0 percentage point will result in an impairment loss of approximately EUR 6.7m (EUR 6.2m) and EUR 0.8m (EUR 1.1m) respectively.

In 2015, revenue in EMEA grew by 9.2 per cent in local currencies, however earnings and EBITDA margins declined due to increased costs to operate and service the many new contracts combined with pressure on margins within Moving Services. At 31 December 2015, the recoverable amount of the cash-generating unit exceeds its carrying amount (including goodwill) by EUR 28m (EUR 23m). Sensitivity tests show that the allowed decline for the EBITDA margin is 0.9 percentage points (2014: 0.9 percentage points) in each year of the forecast (2016-2020) and terminal period, before the recoverable amount of the cash-generating unit equals its carrying amount (including goodwill) all other things being equal. A reasonably possible change in the other key assumptions applied for EMEA will not result in an impairment.

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.

### 13. PROPERTY, PLANT AND EQUIPMENT

EURm	Land and buildings etc.	Other assets, installations, vehicles etc.	IT equipment	Construction in progress	Total
<b>2015</b>					
<b>Cost:</b>					
01.01.	19.3	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
<b>31.12.</b>	<b>19.6</b>	<b>37.3</b>	<b>2.3</b>	<b>0.0</b>	<b>59.2</b>
<b>Depreciation/impairment:</b>					
01.01.	6.4	16.2	1.9	0.0	24.5
Translation adjustment	0.2	0.8	0.1	0.0	1.1
Depreciation for the year	0.9	3.7	0.2	0.0	4.8
Disposals	0.6	1.9	0.2	0.0	2.7
Reclassification	0.0	-0.2	0.0	0.0	-0.2
31.12.	6.9	18.6	2.0	0.0	27.5
<b>Carrying amount 31.12.</b>	<b>12.7</b>	<b>18.7</b>	<b>0.3</b>	<b>0.0</b>	<b>31.7</b>
Carrying amount of financial leases	5.4	2.5	0.0	0.0	7.9
<b>2014</b>					
<b>Cost:</b>					
01.01.	17.7	30.7	1.9	0.0	50.3
Translation adjustment	1.0	1.9	0.2	0.0	3.1
Additions	0.7	4.0	0.1	0.2	5.0
Disposals	0.1	1.3	0.0	0.0	1.4
<b>31.12.</b>	<b>19.3</b>	<b>35.3</b>	<b>2.2</b>	<b>0.2</b>	<b>57.0</b>
<b>Depreciation/impairment:</b>					
01.01.	4.1	12.9	1.5	0.0	18.5
Translation adjustment	0.3	0.9	0.2	0.0	1.4
Impairment for the year <sup>1</sup>	1.2				1.2
Depreciation for the year	0.9	3.5	0.2	0.0	4.6
Disposals	0.1	1.1	0.0	0.0	1.2
31.12.	6.4	16.2	1.9	0.0	24.5
<b>Carrying amount 31.12.</b>	<b>12.9</b>	<b>19.1</b>	<b>0.3</b>	<b>0.2</b>	<b>32.5</b>
Carrying amount of financial leases	5.5	2.3	0.0	0.0	7.8

<sup>1</sup> Impairment of building on leased land to reflect expected remaining negligible value in use following a changed business plan.

The Santa Fe Group was at 31 December 2015/14 not contractually committed to any future investments related to property, plant and equipment.

## 14. FINANCIAL INSTRUMENTS BY CATEGORY

EURm	2015	2014
<b>Available for sale financial assets measured at fair value</b>		
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.))	1.8	1.9
<b>Total</b>	<b>1.8</b>	<b>1.9</b>
<b>Financial assets measured at amortised cost</b>		
Trade receivables	64.2	73.8
Other receivables <sup>1</sup> , non-current and current	21.7	21.9
Bank and cash balances	30.5	18.7
<b>Total</b>	<b>116.4</b>	<b>114.4</b>
<b>Financial liabilities measured at amortised cost</b>		
Non-current borrowings	38.4	9.0
Bank loans, current, etc.	1.7	29.9
Trade payables	52.6	56.9
Other liabilities <sup>2</sup> , current	17.1	11.9
<b>Total</b>	<b>109.8</b>	<b>107.7</b>

<sup>1</sup> Excluding non financial instruments such as prepayments, staff receivables etc. of EUR 11.7m (EUR 10.6m).

<sup>2</sup> Excluding non financial instruments such as public debt, staff payables etc. of EUR 24.5m (EUR 24.4m).

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.

## 15. SHARE CAPITAL AND TREASURY SHARES

	Shares of DKK 70	Nominal value DKK '000	Nominal value EUR '000
01.01.2014	12,348,060	864,364	115,862
<b>31.12.2014 / 01.01.2015</b>	<b>12,348,060</b>	<b>864,364</b>	<b>115,862</b>
<b>31.12.2015</b>	<b>12,348,060</b>	<b>864,364</b>	<b>115,862</b>

As at 31 December 2015, 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
01.01.2014	338,494	23,695	3,176	2.74
<b>31.12.2014 / 01.01.2015</b>	<b>338,494</b>	<b>23,695</b>	<b>3,176</b>	<b>2.74</b>
<b>31.12.2015</b>	<b>338,494</b>	<b>23,695</b>	<b>3,176</b>	<b>2.74</b>

132,500 shares of the treasury shares (132,500) are held to cover the matching share option programme of the Group as described in note 11.

The Board of Directors has been authorised to allow SFG 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% from the official price quoted on NASDAQ Copenhagen at the time of acquisition.

**16. TRADE RECEIVABLES**

EURm	2015	2014
Trade receivables (gross)	65.3	74.8
Allowances for doubtful trade receivables:		
Balance at the beginning of the year	1.0	1.0
Translation adjustment	0.0	0.0
Additions during the year	0.6	0.3
Realised losses during the year and reversals	0.5	0.3
Balance at the end of year	1.1	1.0
<b>Total trade receivables</b>	<b>64.2</b>	<b>73.8</b>

No significant losses were incurred in respect of individual trade receivables in 2015 and 2014. Generally no security is required from customers regarding sales on credit. Credit risk is further described in note 22.

**17. OTHER RECEIVABLES**

EURm	2015	2014
Accrued income	11.8	15.1
Other receivables	13.1	9.9
Prepayments	6.7	5.9
<b>Total</b>	<b>31.6</b>	<b>30.9</b>

**18. PROVISIONS FOR OTHER LIABILITIES AND CHARGES**

EURm	Other provisions	Employee benefits	2015	Other provisions	Employee benefits	2014
01.01.	0.4	1.3	1.7	0.0	1.0	1.0
Translation adjustment	0.1	0.1	0.2	0.0	0.1	0.1
Utilised	0.4	0.1	0.5	0.0	0.1	0.1
Reversed		0.0	0.0	0.0	0.0	0.0
Additions	1.1	0.2	1.3	0.4	0.3	0.7
Reclassified to other payables	-0.5	0.0	-0.5			0.0
<b>31.12.</b>	<b>0.7</b>	<b>1.5</b>	<b>2.2</b>	<b>0.4</b>	<b>1.3</b>	<b>1.7</b>
Non-current	0.2	1.5	1.7	0.4	1.3	1.7
Current	0.5	0.0	0.5	0.0	0.0	0.0
	<b>0.7</b>	<b>1.5</b>	<b>2.2</b>	<b>0.4</b>	<b>1.3</b>	<b>1.7</b>

## 19. DEFINED BENEFIT OBLIGATIONS

EURm	2015	2014
The SFG 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 SFG Group has an obligation to provide agreed benefits to employees upon their retirement.		
Fair value of plan assets	-6.0	-5.1
Present value of obligations	8.3	7.1
<b>Net liability recognised (funded plans) 31.12.</b>	<b>2.3</b>	<b>2.0</b>

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

The net liability is based in 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 1.25% (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 0.3m (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).

## 20. OTHER LIABILITIES

EURm	2015	2014
Staff payables	12.1	12.7
Duties to public authorities	3.2	3.2
Other accrued expenses	26.1	20.4
<b>Total</b>	<b>41.4</b>	<b>36.3</b>

## 21. BORROWINGS

EURm	2015	2014
<b>Non-current borrowings:</b>		
Bank loans	30.0	0.4
Mortgage loans	4.2	4.0
Finance lease liabilities	4.2	4.6
<b>Total</b>	<b>38.4</b>	<b>9.0</b>
<b>Current borrowings:</b>		
Bank loans	0.9	29.2
Finance lease liabilities	0.8	0.7
<b>Total</b>	<b>1.7</b>	<b>29.9</b>
<b>Total borrowings</b>	<b>40.1</b>	<b>38.9</b>
<b>Maturity of current and non-current borrowings:</b>		
Less than one year	1.7	30.0
Between one and five years	36.3	6.5
More than five years	2.1	2.4
<b>Total</b>	<b>40.1</b>	<b>38.9</b>

At 31 December 2015/2014 all non-current and current borrowings are floating interest based. The borrowings are exposed to interest rate and currency risk, refer to note 22. Financial covenants are described in note 22 under liquidity risk.

## 21. BORROWINGS CONTINUED

### Finance lease liabilities

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 (2014: EUR 4.1m).

Finance lease liabilities are payable as follows:

EURm	2015			2014		
	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	0.8	0.1	0.7
Between one and five years	2.5	0.4	2.1	2.6	0.4	2.2
More than five years	2.4	0.3	2.1	2.8	0.4	2.4
	<b>5.8</b>	<b>0.8</b>	<b>5.0</b>	<b>6.2</b>	<b>0.9</b>	<b>5.3</b>

The carrying amount of financially, leased assets is disclosed in note 13.

## 22. CREDIT RISK, LIQUIDITY RISK, CURRENCY RISK AND INTEREST RATE RISK

### Group policy for managing risk and capital

Given the international scope of SFG'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.

SFG'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 SFG's cash flows in local currencies. The Group does currently not apply any material financial derivatives for hedging.

There are no changes to the Group's risk exposure and risk management compared to 2014.

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.

As announced at the Annual General Meeting on 26 March 2015, (Company Announcement 3/2015) no dividend will be declared in 2016 where earnings will be reinvested in the company, as was the case in 2015.

## 22. CREDIT RISK, LIQUIDITY RISK, CURRENCY RISK AND INTEREST RATE RISK CONTINUED

### 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.

SFG 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 which 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 1.7% (1.3 %) of gross trade receivables. During 2015 several initiatives have been taken 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 2015 to 27% (2014: 50%).

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 116.4m (EUR 114.4m) 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 SFG. This risk is managed by having maximum exposure limits on each financial counterparty.

Trade receivables past due compound as follows:

EURm	month (due)						31.12.2015
	not due	0 - 1	1 - 2	2 - 3	3 - 6	> 6	
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
							<b>64.2</b>
In % of receivables not due and due but not impaired	73	10	7	4	5	1	
Impaired receivables past due						1.1	1.1
							<b>65.3</b>
Allowances for doubtful trade receivables							-1.1
<b>Total trade receivables (net) continuing operations</b>							<b>64.2</b>

EURm	month (due)						31.12.2014
	not due	0 - 1	1 - 2	2 - 3	3 - 6	> 6	
Receivables, not due	36.7						36.7
Receivables past due but not impaired		13.8	7.9	5.6	6.9	2.9	37.1
							<b>73.8</b>
In % of receivables not due and due but not impaired	50	19	10	8	9	4	
Impaired receivables past due						1.0	1.0
							<b>74.8</b>
Allowances for doubtful trade receivables							-1.0
<b>Total trade receivables (net) continuing operations</b>							<b>73.8</b>

## 22. 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 financial obligations as they fall due.

In Q1 2015, the Santa Fe Group agreed terms on a new EUR 43.5m (DKK 325m) loan facility split between HSBC and Danske Bank, which has replaced previous bank loans in the amount of EUR 29m (DKK 215m) providing funding for the operations during 2015 and 2016. The new facility is combined two year term loan and revolving credit facility (matures in March 2017).

At the end of 2015, the Group's borrowings include loans of EUR 30m (EUR 8m), which are subject to usual financial covenants regarding leverage, interest cover and solvency and includes certain restrictions on future dividend payments of the SFG Parent. According to the loan agreements, the 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 2015, the Santa Fe Group complied with these financial covenants.

Following the reduced working capital position during 2015, the Group's overall financial gearing has decreased. The Group had a net debt position at the end of 2015 of EUR 9.6m (EUR 20.2m).

Contractual maturities of financial liabilities:

EURm	Carrying amount	Total	Contractual maturity incl. interest (cash flow)		
			< 1 years	1 - 5 years	> 5 years
<b>31.12.2015</b>					
<b>Non -derivative financial instruments (continuing operations)</b>					
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	16.9	0.2	

EURm	Carrying amount	Total	Contractual maturity incl. interest (cash flow)		
			< 1 years	1 - 5 years	> 5 years
<b>31.12.2014</b>					
<b>Non -derivative financial instruments (continuing operations)</b>					
Borrowings (non-current and current)	38.9	41.3	31.3	7.2	2.8
Trade payables	56.9	56.9	56.9		
Other liabilities	11.9	11.9	11.9		

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 26.

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 2015 or 2014.

## 22. CREDIT RISK, LIQUIDITY RISK, CURRENCY RISK AND INTEREST RATE RISK CONTINUED

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

Developments in exchange rates between EUR and the functional currencies of subsidiaries had an impact on the SFG Group's revenue and EBITDA before special items for 2015 reported in EUR. 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 positively by EUR 22.7m and EUR 1.7m respectively which primarily was linked to increasing US dollar and USD related currencies versus the EUR primarily benefitting the Asian region.

### Interest rate risk

The SFG 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. SFG is also indirectly exposed as a result of the impact of interest rates on the macro economies of the countries in which SFG operates its businesses.

The Group is exposed to mainly floating interest rate risk on bank balances and borrowings. All interest bearing assets, EUR 30.5m (EUR 18.7m) and interest bearing liabilities, EUR 40.1m (EUR 38.9m) are reprised within one year.

At the end of 2015, the combined interest rate risk was EUR -0.2m (EUR -0.2m) 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.

## 23. OTHER NON-CASH ITEMS

EURm	2015	2014
Gains/losses on disposal of intangible and tangible assets	-2.1	-0.2
Changes in provisions	0.9	0.5
Gains/losses relating to disposal of activities		-0.4
Foreign currency and other adjustments	-0.6	-0.9
<b>Total</b>	<b>-1.8</b>	<b>-1.0</b>

## 24. CHANGES IN WORKING CAPITAL

EURm	2015	2014
Changes in inventories	0.2	-0.1
Changes in trade receivables	12.3	-9.5
Changes in trade payables	-6.1	5.1
Changes in other receivables/liabilities	3.8	-3.6
<b>Total</b>	<b>10.2</b>	<b>-8.1</b>

## 25. CONTINGENT ASSETS AND LIABILITIES

EURm	2015	2014
Carrying amount of pledged assets	3.1	3.2
Carrying amount of financial leased assets	7.9	7.8
Other guarantees	1.4	1.6

### Legal proceedings pending and disputes, etc.

Certain claims have been raised against the SFG 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 SFG 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 SFG Group apart from what has already been recognised or disclosed in the financial statements.

### Change of Control

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

## 26. LEASING OBLIGATIONS

EURm	2015	2014
Leasing obligations relate mainly to leases of warehouses, offices, vehicles and office equipment etc.		
The operating lease cost expensed in the income statement during 2015 and 2014 were EUR 21.1m and EUR 19.7m respectively.		
Total commitments fall due as follows (undiscounted):		
Within one year	21.0	18.9
Between one and five years	53.3	40.2
After five years	15.9	20.4
<b>Total</b>	<b>90.2</b>	<b>79.5</b>

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 a third party.

## 27. RELATED PARTIES AND 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 10 and note 11. Shares held by the Board of Directors and the Executive Board are disclosed on page 25.

## 28. RELATED PARTY TRANSACTIONS

The Santa Fe Group had no transactions with associates during 2015. The Group have received dividends from associated companies of EUR 0.1m (EUR 0.2m). 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 10 and 11 regarding remuneration of Management and to page 25 for Management's possession of SFG shares and options.

**29. DISCONTINUED OPERATIONS**

EURm	2014
Revenue	142.8
Cost of sales	105.9
<b>Gross profit</b>	<b>36.9</b>
<b>Operating profit</b>	<b>8.3</b>
Net financials	-39.2
<b>Profit/loss before income tax expense</b>	<b>-30.9</b>
Income tax expense	7.9
<b>Net profit/loss from discontinued operations</b>	<b>-38.8</b>
Reversal of impairment loss related to measurement of net assets at fair value less cost to sell	72.2
Tax impact from reversal of impairment losses	-14.1
Reversal of impairment losses net of tax	58.1
Accumulated positive foreign exchange translation and hyperinflation adjustments, recycled from equity (other comprehensive income) to net profit from discontinued operations	61.2
Gain on the divestment of Plumrose recognised for the year	119.3
<b>Profit from discontinued operations</b>	<b>80.5</b>
Of which profit related to non-controlling interests	1.6
Total net accounting loss 2013-2014 on divestment of Plumrose	-133.5
Net cash from operating activities *	-36.6
Net cash from investing activities *	-2.1
Net cash from financing activities *	73.2
<b>Cash flow impact from divestment of Plumrose:</b>	
Intangible assets	0.0
Property, plant and equipment	82.8
Deferred tax	22.0
Inventories	114.8
Trade receivables	57.1
Other receivables	27.1
Cash and cash equivalents	73.0
Current and non-current borrowings	207.8
Trade payables	38.6
Other liabilities including provisions	57.2
<b>Net assets sold</b>	<b>73.2</b>
Non-controlling interests	24.4
<b>SFG's share of equity</b>	<b>48.8</b>
Gain on divestment recognised in income statement (discontinued operations)	119.3
Of which recycling of accumulated positive foreign exchange translation and hyperinflation adjustments from equity (other comprehensive income)	-61.2
Of which reversal of impairment losses net of tax	-58.1
<b>Cash consideration received</b>	<b>48.8</b>
Restricted cash balances disposed (held by Plumrose translated at VEF/USD 10.7)	-73.0
<b>Consolidated cash outflow, net</b>	<b>-24.2</b>

\*Cash flow figures are based on historical accounting policy without hyperinflationary adjustments

## 29. DISCONTINUED OPERATIONS CONTINUED

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In 2013 the Board of Directors initiated a process with the purpose of divesting Plumrose. Plumrose is a Venezuelan manufacturer and distributor of processed meat products in Venezuela. The divestment process was concluded as announced on 8 April 2014 (announcement 7/2014), as the SFG Parent (formerly by the EAC Parent) divested its wholly-owned subsidiary Plumlatam Holding ApS (which owns the Plumrose business in Venezuela) for a net consideration of EUR 48.8m.

Upon classification to assets held for sale of Plumrose in 2013, an impairment of EUR 212.5m (net of tax) was recognised related to intangible assets and property, plants and equipment. Following the de facto devaluation of the Bolivar in January 2014 (refer to note 31 in the Annual Report 2013) and operating losses of EUR 38.8m incurred by Plumrose during 2014, the initial impairment loss has been partly reversed in the amount EUR 58.1m (net of tax) in 2014 (to fair value less cost to sell).

In connection with closing of the sale in April 2014, the SFG's share of the accumulated positive foreign exchange and hyperinflation adjustments related to Plumrose has been recycled from other comprehensive income and recognised in net profit from discontinued operations (in the income statement) in the amount of EUR 61.2m including current year adjustment of EUR -17.0m in the period until 8 April 2014.

For 2014, net profit from discontinued operations amounts to EUR 80.5m, which principally relates to accumulated positive foreign exchange and hyperinflation accounting adjustments related to the Plumrose investment calculated in accordance with IFRS for the period since 2004, when IFRS was first applied.

For the divestment taken as a whole the net accounting loss for 2013 and 2014 amounts to EUR 133.5m.

## 30. SUBSEQUENT EVENTS

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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 page 8-9.

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, which is expected towards the end of 2016. The total investment associated with the project is estimated to be around EUR 3.0m in 2016, amortisation of which will commence once the system is taken into operation.

No other material events have taken place after 31 December 2015, that may have a significant influence on the assessment of the consolidated financial statements.



# PARENT COMPANY FINANCIAL STATEMENTS

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## INCOME STATEMENT

DKKm	Note	2015	2014
Revenue and other income from subsidiaries		7	2
Other external expenses		8	13
Staff costs	9	7	13
Other operating income/expenses		2	1
<b>Operating profit/loss before amortisation, impairments, depreciation and special items</b>		<b>-6</b>	<b>-23</b>
Special items, net	9	-3	-18
<b>Operating profit/loss</b>		<b>-9</b>	<b>-41</b>
Gain on disposal of subsidiaries	11		2
Financial income	4	22	17
Financial expenses	5	11	286
<b>Profit/loss before income tax expenses</b>		<b>2</b>	<b>-308</b>
Income tax expense	6	0	1
<b>Net profit/loss for the year</b>		<b>2</b>	<b>-309</b>
<b>Proposed distribution of profit/loss</b>			
Interim dividend on 15 April 2014			197
Retained earnings		2	-506
<b>Total</b>		<b>2</b>	<b>-309</b>

## STATEMENT OF COMPREHENSIVE INCOME

Net profit/loss for the year	2	-309
<b>Total net comprehensive income for the year</b>	<b>2</b>	<b>-309</b>

**BALANCE SHEET – ASSETS**

DKKm	Note	31.12.15	31.12.14
<b>Non-current assets</b>			
Investment in subsidiaries	11	770	318
Receivables from subsidiaries	12	13	8
<b>Total non-current assets</b>		<b>783</b>	<b>326</b>
<b>Current assets</b>			
Receivables from subsidiaries	12,19	620	857
Other receivables	12	2	1
Cash and cash equivalents	12	2	3
<b>Total current assets</b>		<b>624</b>	<b>861</b>
<b>Total assets</b>		<b>1,407</b>	<b>1,187</b>

**BALANCE SHEET – EQUITY AND LIABILITIES**

DKKm	Note	31.12.15	31.12.14
<b>EQUITY</b>			
Share capital	13	864	864
Retained earnings		300	304
Treasury shares		-24	-24
<b>Total equity</b>		<b>1,140</b>	<b>1,144</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	14	222	
<b>Total non-current liabilities</b>		<b>222</b>	
<b>Current liabilities</b>			
Bank overdraft	12		23
Payables to subsidiaries	12	0	0
Other liabilities	12	45	20
<b>Total current liabilities</b>		<b>45</b>	<b>43</b>
<b>Total liabilities</b>		<b>267</b>	<b>43</b>
<b>Total equity and liabilities</b>		<b>1,407</b>	<b>1,187</b>

## STATEMENT OF CHANGES IN EQUITY

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

No ordinary dividends are proposed for 2015.

<b>Equity at 1 January 2014</b>	<b>864</b>	<b>805</b>	<b>-24</b>	<b>0</b>	<b>1,645</b>
<b>Comprehensive income for 2014</b>					
Net profit/loss for the year		-506		197	-309
<b>Total comprehensive income for the year</b>		<b>-506</b>		<b>197</b>	<b>-309</b>
<b>Transactions with shareholders</b>					
Interim dividend				-192	-192
Interim dividend, treasury shares		5		-5	
<b>Total transactions with shareholders</b>		<b>5</b>		<b>-197</b>	<b>-192</b>
<b>Equity at 31 December 2014</b>	<b>864</b>	<b>304</b>	<b>-24</b>	<b>0</b>	<b>1,144</b>

No ordinary dividends are proposed for 2014. During the year an interim dividend of DKK 16 per share was paid.

Further information about the share capital is disclosed in note 15 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 22 in the consolidated financial statements.

## CASH FLOW STATEMENT

DKKm	Note	31.12.15	31.12.14
<b>Cash flows from operating activities</b>			
Operating profit		-9	-41
Adjustment for:			
Other non-cash items	16	22	18
Change in working capital	17	-205	-157
Interest paid		-7	0
Corporate tax paid			-1
<b>Net cash flow from operating activities</b>		<b>-199</b>	<b>-181</b>
<b>Cash flows from investing activities</b>			
Changes in non-current receivables from subsidiaries		-1	3
Proceeds from liquidation of subsidiaries			2
Proceeds from sale of subsidiaries, etc.	18		365
<b>Net cash flow from investing activities</b>		<b>-1</b>	<b>370</b>
<b>Net cash flow from operating and investing activities</b>		<b>-200</b>	<b>189</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		257	
Repayment of borrowings		-35	
Repayment of bank overdraft		-23	0
Dividends paid			-192
<b>Net cash flow from financing activities</b>		<b>199</b>	<b>-192</b>
<b>Changes in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of year		3	6
<b>Cash and cash equivalents at end of year</b>		<b>2</b>	<b>3</b>

## 1. ACCOUNTING POLICIES OF THE PARENT COMPANY

For general information about the Parent Company, Santa Fe Group A/S (formerly The East Asiatic Company Ltd. A/S), reference is made to note 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 2015 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 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.

### Legal merger with the fully owned subsidiary Santa Fe Group Holdings Ltd. A/S in 2015

During 2015, it was decided to legally merge the Parent Company, Santa Fe Group A/S, and its

wholly owned subsidiary, Santa Fe Group Holding Ltd. A/S (the former sub-holding company for the Santa Fe Group), with Santa Fe Group A/S being the continuing company.

According to the registration with the Danish Business Authorities, the merger was completed 29 July 2015 with legal effect as of 1 January 2015.

The common control merger has been accounted for by the Parent Company applying the "book-value" method effective on the transaction date, 29 July 2015:

- Recognising all assets and liabilities of Santa Fe Group Holding Ltd. A/S (primarily investments in subsidiaries and receivables/payables from/to subsidiaries) at their carrying amounts as at the transaction date

- Derecognising the carrying amount of the investment in Santa Fe Group Holding Ltd. A/S at the transaction date as well as receivables from Santa Fe Group Holding Ltd. A/S

- Recognising the difference (DKK -6m) between the carrying amount of the investment in Santa Fe Group Holding Ltd. A/S (DKK 315m) and the carrying amount of the net assets transferred from Santa Fe Group Holding Ltd. A/S (DKK 309m) in connection with the merger directly in the Parent Company's equity as an adjustment to retained earnings.

The merger has had no impact on the comparative figures presented by the Parent Company.

### 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 note 1 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. 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 2 to the consolidated financial statements regarding impairment tests and going concern.

## 3. NEW ACCOUNTING REGULATION

Reference is made to note 3 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	2015	2014
Interest income on receivables from subsidiaries measured at amortised cost	13	15
Foreign exchange gains	9	2
Interest income, cash and cash equivalents		0
<b>Total</b>	<b>22</b>	<b>17</b>

#### 5. FINANCIAL EXPENSES

DKKm	2015	2014
Impairment of investments in subsidiaries		277
Impairment of loans to subsidiaries	4	9
Interest expenses and fee on financial liabilities measured at amortised cost	7	
Foreign exchange losses	0	0
Other interest expenses	0	0
<b>Total</b>	<b>11</b>	<b>286</b>

#### 6. INCOME TAX EXPENSE

DKKm	2015	2014
Current tax on profit for the year	0	1
Change in deferred tax during the year		
<b>Corporate income tax</b>	<b>0</b>	<b>1</b>
<b>Income tax expense</b>	<b>0</b>	<b>1</b>
<b>Profit before income tax</b>	<b>2</b>	<b>-308</b>
<b>Reported effective corporate tax rate (%)</b>	<b>0.0</b>	<b>-0.3</b>
Danish corporate tax rate in percent	23.5	24.5
<b>Corporate tax rate explanation</b>		
Calculated Danish corporate income tax expense	1	-75
The tax effect from:		
Differences from non-taxable income / non-deductable expenses	0	1
Non-taxable gain from sale/liquidation of subsidiaries		-1
Non-deductible impairment of investments in and loans to subsidiaries	1	70
Unrecognised deferred tax assets related to loss for the year		5
Prior year tax adjustment		1
Utilization of non-recognised deferred tax assets	-2	
<b>Reported corporate income tax expense</b>	<b>0</b>	<b>1</b>

The Parent Company did not recognise deferred tax assets of DKK 46m (DKK 46m) in respect of tax losses carried forward (within the Danish joint taxation scheme) amounting to DKK 196m (DKK 194m) and temporary deductible differences of DKK 11m (DKK 15m) due to uncertainty with respect to utilisation.

## 7. AUDIT FEES

DKKm	2015	2014
<b>Ernst &amp; Young P/S</b>		
Statutory audit	1	1
Other assurance services	0	
Tax/VAT advisory service	0	1
Other non-audit services	0	1

## 8. NUMBER OF EMPLOYEES

	2015	2014
SFG Parent, average	6	7

## 9. STAFF COSTS AND SPECIAL ITEMS

DKKm	2015	2014
Salaries and wages to employees	6	16
Salaries to the Executive Board of the Parent Company (including termination benefit in 2014 of DKK 6m)*	3	11
Board fees to the Board of Directors of the Parent Company (fixed fee only)	1	2
Pensions, defined contribution schemes		1
Other staff related special items	0	1
Total staff costs including special items	10	31
of which special items	-3	-18
<b>Total staff costs</b>	<b>7</b>	<b>13</b>

\*Salaries paid by the Parent Company. Salaries paid by SFG to the Executive Board of the Parent Company are disclosed in note 10 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.

### New CEO

As announced in 2014, the then current CEO retired from his position during the first half of 2015 as part of the planned generational handover to a new CEO. In accordance with the agreed terms, the CEO was paid one year salary as severance pay upon retirement. The costs are primarily included in 2014.

### Special items

Special items include primarily severance pay related to the retirement of the former EAC Group CEO and Santa Fe CEO as well as other staff changes during 2014/15 following the divestment of the Plumrose business combined with the integration of the EAC Parent Company and Santa Fe into one business.

Further reference is made to note 10 in the consolidated financial statements

## 10. INCENTIVE SCHEMES

Please refer to note 11 in the consolidated financial statements for information related to the Executive Board of the Parent Company.

## 11. INVESTMENT IN SUBSIDIARIES

DKKm	2015	2014
Cost:		
01.01.	960	1,023
Additions through merger with Santa Fe Group Holding Ltd. A/S	1,386	
Disposals	-949	-63
Cost 31.12.	1,397	960
Impairment:		
01.01.	-642	-422
Impairment for the year		-277
Additions through merger with Santa Fe Group Holding Ltd. A/S	-619	
Disposals	634	57
Impairment 31.12.	-627	-642
<b>Carrying amount 31.12.</b>	<b>770</b>	<b>318</b>

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).

Disposals in 2014 relates to liquidation of the EAC Malaysia Holding Sdn. Bhd. and EAC Consumer Products ApS. The gain associated with the liquidation amounted to DKK 2m.

Impairment in 2014 relates to Santa Fe Group Holding Ltd. A/S following the negative development in SFG's market capitalisation and impairment losses recognised by the Santa Fe Group combined with the negative development in the underlying business in Australia during 2014. The value in use has primarily been based on key assumptions disclosed in note 12 in the consolidated financial statements related to Wridgways Australia Ltd. and Interdean International Relocation Group, with the necessary adjustments relevant for the SFG Parent.

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

## 12. FINANCIAL INSTRUMENTS BY CATEGORY

DKKm	2015	2014
<b>Financial assets measured at amortised cost</b>		
Receivables from subsidiaries, current and non-current	633	865
Other receivables, current	2	0
Cash and cash equivalents	2	3
<b>Total</b>	<b>637</b>	<b>868</b>
<b>Financial liabilities measured at amortised cost</b>		
Bank overdraft, current		23
Borrowings, non-current	222	
Other liabilities, current and non-current	23	19
<b>Total</b>	<b>245</b>	<b>42</b>

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

### 13. SHARE CAPITAL AND TREASURY SHARES

Please refer to note 15 in the consolidated financial statements.

### 14. BORROWINGS

DKKm	2015	2014
<b>Non-current borrowings:</b>		
Bank loans	222	0
<b>Total</b>	<b>222</b>	<b>0</b>
<b>Current borrowings:</b>		
Bank overdraft	0	23
<b>Total</b>	<b>0</b>	<b>23</b>
<b>Maturity of non-current and current borrowings:</b>		
Less than one year	0	23
Between one and five years	222	0
More than five years	0	0
<b>Total</b>	<b>222</b>	<b>23</b>

At 31 December 2015/14 all non-current and current borrowings are floating interest based. The borrowings are exposed to interest rate risk, currency risk and financial covenants related to the borrowings which are described in note 15.

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

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### Policy for managing risk

The SFG Parent's policy for managing risk is an integral part of the Group policy as described in note 22 to the consolidated financial statements.

With legal effect from 1 January 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 subholding company for the Santa Fe Group. The transformation of the Group from a conglomerate into a one-business entity together with the recent years' internal Group restructurings has made the SFG Parent an integrated part of the Santa Fe Group's liquidity management. Accordingly, the SFG Parent is highly dependent on the financial performance of the Santa Fe Group.

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

SFG's financial risk management activities follow a policy framework approved by the Board of Directors. It is the SFG 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

SFG Parent aims at maintaining a conservative debt-equity ratio.

### Credit risk

SFG 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 SFG Parent being unable to meet its obligations as they fall due because of inability to realise assets or obtain adequate funding. The SFG Parent and Group aim at ensuring that a liquidity position is maintained in order to service financial obligations as they fall due.

During 2015, the Santa Fe Group agreed terms on a new EUR 43.5m (DKK 325m) loan facility split between HSBC and Danske Bank, which replaced the Group's existing bank loans in the amount of EUR 29m (DKK 215m) providing funding for the operations during 2015 and 2016. The new facility is a combined two year term loan and revolving credit facility (matures in March 2017).

At the end of 2015, the SFG Parent's external borrowings include loans of DKK 222m, which are subject to usual financial covenants regarding leverage, interest cover and solvency and includes certain restrictions on future dividend payments of the SFG Parent. According to the loan agreements, the 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 and the SFG Parent to repay the loans earlier than the stipulated 2 year term. During 2015, the Group complied with these financial covenants.

The SFG Parent had liquid funds at the end of 2015 of DKK 2m (DKK 3m). During 2015, SFG Parent transferred the proceeds from new external borrowings to its subsidiaries.

### Currency risk

SFG 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 SFG Parent (DKK). This risk affects net financial items and is managed at Group level. At year-end, intercompany receivables and external bank loans are primarily denominated in EUR. Bank balances are primarily held in DKK or EUR to minimise the net currency exposure.

### Interest rate risk

The SFG Parent is directly exposed to interest rate fluctuations mainly in connection with its funding portfolio. The SFG Parent is exposed to mainly floating interest rate risk on borrowings. All interest bearing liabilities, DKK 222m (DKK 23m) are reprised within one year. Intercompany receivables are primarily based on short-term floating interest rates.

At the end of 2015, the combined interest rate risk was DKK -1m (DKK 0m) 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	2015	2014
Foreign currency and other working capital adjustments	22	18
<b>Total</b>	<b>22</b>	<b>18</b>

**17. CHANGES IN WORKING CAPITAL**

DKKm	2015	2014
Changes in current receivables/payables to/from subsidiaries	-210	-169
Changes in other receivables/liabilities	5	12
<b>Total</b>	<b>-205</b>	<b>-157</b>

**18. PROCEEDS FROM SALE OF SUBSIDIARIES**

DKKm	2015	2014
Gross proceeds (net of direct costs)		365
<b>Total</b>		<b>365</b>

**19. CONTINGENT ASSETS AND LIABILITIES**

DKKm	2015	2014
<b>Guarantees and similar commitments</b>	<b>0</b>	<b>521</b>

No guarantees existed as at 31 December 2015 in the SFG Parent. Guarantees as at 31 December 2014 of DKK 521m relates to HSBC loan facilities available to subsidiaries with an associated outstanding debt of DKK 190m.

The SFG 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 612m until such time as the 100% owned subsidiary Santa Fe Group Limited, UK is in a position to do so.

Furthermore, the SFG 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 SFG 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 SFG 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 SFG Parent apart from what has already been recognised or disclosed in the financial statements.

## 20. RELATED PARTY TRANSACTIONS

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Please refer to note 27 and 28 in the consolidated financial statements.

Revenue, royalties and dividends received from subsidiaries are disclosed separately in the income statement.

Receivables from and payables to subsidiaries are disclosed separately 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 33m (DKK 29m).

Following the merger in 2015 between the SFG Parent (formerly the EAC Parent) and the fully owned subsidiary, Santa Fe Group Holding Ltd. A/S, inter-company receivables in the amount of DKK 792m were extinguished.

## 21. SUBSEQUENT EVENTS

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No material events that may have a significant influence on the assessment of the financial statements have taken place after 31 December 2015.



# DEFINITIONS

<b>Equity per share</b>	SFG'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.
<b>P/BV</b>	Year-end stock exchange quotation divided by equity per share.
<b>Market value</b>	Year-end stock exchange quotation multiplied by the number of shares excluding treasury shares.
<b>EPS</b>	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.
<b>P/E ratio</b>	Year-end stock exchange quotation divided by earnings per share.
<b>EBITDA margin</b>	EBITDA in per cent of revenue.
<b>Operating margin</b>	Operating profit (EBIT) in per cent of revenue.
<b>Return on invested capital</b>	EBIT in per cent of average invested capital.
<b>Return on equity parent</b>	SFG's share of net profit in per cent of SFG's share of equity (average opening/closing balances).
<b>Equity ratio</b>	SFG's share of equity in per cent of total assets.
<b>Cash and cash equivalents</b>	Bank and cash balances included in current and non-current assets.
<b>Working capital employed</b>	Inventories plus trade receivable less trade payable and prepayments from customers.
<b>Invested capital</b>	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.
<b>Interest bearing debt</b>	Long-term debt plus short-term bank debt and accounts payable to associates.
<b>Net interest bearing debt</b>	Interest bearing debt less cash and cash equivalents.
<b>EBITDA</b>	Earnings before interest, taxes, depreciation and amortisation (operating profit before depreciation and amortisation).
<b>Payout ratio</b>	Paid dividends to SFG's shareholders during the year in per cent of SFG's share of net profit/loss for the year.

# SUBSIDIARIES AND ASSOCIATES

Share capital	Entities per Business	Share in %		
		Direct	SFG	
<b>SANTA FE GROUP</b>				
EUR	820,000	Interdean Auguste Daleiden Sarl, 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
RSD	403,804	Santa Fe Relocation Services Beograd D.O.O, Serbia	100.00	100.00
EUR	35,000	Interdean 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	Interdean Hungaria Nemzetközi Költöztető Kft., Hungary	100.00	100.00
EUR	110,000	Interdean International Relocation Services S.R.L. Unipersonale, Italy	100.00	100.00
EUR	1,000	Interdean International Ltd., United Kingdom	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	Interdean Internationale Spedition 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	877,250	Interdean Relocation Services NV, Belgium	100.00	100.00
EUR	750,081	Interdean SA, Spain	100.00	100.00
CHF	196,000	Santa Fe Relocation Services, Switzerland	100.00	100.00
EUR	915,000	Interdean SAS, France	100.00	100.00
PLN	650,000	Interdean SpZoo, Poland	100.00	100.00
RON	153,130	Santa Fe Relocation Services Srl, Romania	100.00	100.00
EUR	6,639	Interdean SRO, Slovakia	100.00	100.00
CZK	1,877,000	Santa Fe Relocation Services 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 Realizacao Ltda., Brazil	100.00	100.00
HKD	28,000,000	Santa Fe Holdings Ltd., Hong Kong	100.00	100.00
AUD	67,500,100	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	Entities per Business	Share in %		
		Direct	SFG	
<b>SANTA FE GROUP</b>				
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 Arab 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	51.00	51.00
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	Other entities per country	Share in %		
		Direct	SFG	
<b>ASIA</b>				
<b>China</b>				
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*
<b>Thailand</b>				
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***
<b>EUROPE</b>				
<b>Denmark</b>				
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.



# RE

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