



STOLT-NIELSEN S.A.

INTERIM FINANCIAL STATEMENTS

For the Six Months Ended May 31, 2009
(Unaudited)

STOLT-NIELSEN S.A.
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Highlights

Highlights for the first six months of 2009, compared with the first six months of 2008, included:

- Operating profit of \$55.5 million, compared with \$106.8 million.
- The average Stolt Tankers Joint Service Sailed-in Time-Charter Index¹ decreased by 18.8%, from 1.28 to 1.04.
- Stolt Tankers reported an operating loss of \$0.8 million versus operating profit of \$66.9 million, reflecting lower volumes, decline in spot market rates and \$32.5 million of bunker hedge losses due to the fall in bunker prices.
- Stolthaven Terminals reported operating profit of \$21.4 million up from \$18.7 million, driven by increased capacity and lower operating expenses.
- Stolt Tank Containers reported operating profit of \$31.3 million up from \$21.2 million as margins have remained strong, caused by increased demurrage billing and lower ocean freight costs.
- Stolt Sea Farm reported operating profit of \$6.0 million, a decrease from \$10.8 million as a result of lower prices and demand for high quality seafood.

Financial Review

	<u>Six Months Ended</u> <u>May 31, 2009</u>	<u>Six Months Ended</u> <u>May 31, 2008</u>
	(in USD millions, except per share)	
Operating revenue	\$ 785.6	\$ 985.5
Gross profit	132.7	186.3
Operating profit	55.5	106.8
Net profit	42.3	83.1
Net profit attributable to SNSA shareholders	42.1	82.8
EPS – diluted	0.70	1.38

Consolidated Income Statement

Net profit attributable to SNSA shareholders was \$42.1 million for the first half of 2009, down from \$82.8 million for the first half of 2008.

Operating profit was \$55.5 million for the first half of 2009, which was a 48% decrease from the first half of 2008. The decrease in operating profit in the first half of 2009 primarily reflected the impact of lower volumes, spot-market freight rates and bunker hedge losses at Stolt Tankers.

Gross profit was \$132.7 million for the first half of 2009, down from \$186.3 million or 29% compared with the first half of 2008.

¹ The Stolt Tankers Joint Service (“STJS”) Sailed-in Time-Charter Index is an indexed measurement of the sailed-in rate for the Joint Service and was set at 1.00 in the first quarter of 1990 based on the average sailed-in time-charter result for the fleet at the time. The sailed-in rate is a measure frequently used by shipping companies, which subtracts from the ships’ operating revenue the variable costs associated with a voyage, primarily commissions, sublets, transshipments, port costs, and bunker fuel costs.

Business Segment Information

This section summarizes our operating performance for each of our principal business segments. The “Corporate and Other” category includes corporate-related expenses, and all other operations not reportable under the other segments.

	<u>Six Months Ended</u> <u>May 31, 2009</u>	<u>Six Months Ended</u> <u>May 31, 2008</u>
	(in USD millions)	
Operating revenue:		
Stolt Tankers	\$ 491.3	\$ 659.1
Stolthaven Terminals	57.2	57.4
Stolt Tank Containers	208.5	227.4
Stolt Sea Farm	23.9	39.0
Corporate and Other	4.7	2.6
Total	<u>\$ 785.6</u>	<u>\$ 985.5</u>
Operating profit (loss):		
Stolt Tankers	\$ (0.8)	\$ 66.9
Stolthaven Terminals	21.4	18.7
Stolt Tank Containers	31.3	21.2
Stolt Sea Farm	6.0	10.8
Corporate and Other	(2.4)	(10.8)
Total	<u>\$ 55.5</u>	<u>\$ 106.8</u>

Stolt Tankers

Operating revenue decreased by 25% from \$659.1 million in the first six months of 2008 to \$491.3 million in the same period in 2009. The revenue decrease was attributable to lower deep-sea and regional freight volumes as demand plunged in December 2008 and January 2009, and a decline in spot-market freight rates of as much as 27% in the first quarter of the year. Revenue for the period also reflected a \$46.0 million decrease in bunker-surcharge billings, due to lower bunker fuel prices. While Contracts of Affreightment (“COA”) freight rates held firm during the period, a decline in contract volumes in the first quarter resulted in more spot-market cargoes for that period.

Trading days for the STJS decreased by 12.7% or approximately 1,656 days compared with the same period last year as demand softened. The decrease in trading days reflected the recycling of nine ships, sale of one ship, net return of five time chartered ships and withdrawal of three time chartered ships by joint service participants. Tons carried per operating day also decreased from 522 tons carried in the first half of 2008 to 485 tons in the first half of 2009.

The Sailed-In Time-Charter Index is a measure of the daily sailed-in rate for the STJS indexed to the rate for our fleet during the first quarter of 1990. During the period from 1990 to 2007, the average annual Sailed-In Time-Charter Index ranged from a high of 1.35 to a low of 0.93 and averaged 1.14 over this period. The average Sailed-In Time-Charter Index for the first six months of 2009 was 1.04 compared with 1.28 for the same time period in 2008.

Operating profit decreased from \$66.9 million in the first half of 2008 to \$(0.8) million in the first half of 2009. The operating profit and the related margin decreased primarily due to lower volumes, spot rates and bunker hedge losses, offset by lower bunker costs, time charter costs and port charges.

Bunker expenses, excluding hedging losses, decreased by \$85.3 million during the first six months of 2009 compared with the same period of 2008. This was due to a combination of lower prices and reduced consumption as a result of operating fewer ships. Usage of Intermediate Fuel Oil (“IFO”) decreased by approximately 7% from the first half of 2008 while the average price of IFO purchased by us during the six months ended May 31, 2009 was approximately \$285 per ton compared with \$476 per ton during the same period in 2008. The effect of these decreases was partially offset by an increase in bunker hedging losses of \$32.5 million in the first six months of 2009. Time charter costs were lower following the redelivery of time charter ships which helped to mitigate the lower demand during the first half of 2009.

Stolthaven Terminals

Stolthaven revenues were comparable with the first half of 2008, reflecting increased capacity offset by lower throughput revenue.

**Condensed Consolidated Interim Financial Statements
and Auditor's Review Report**

For the Six Months Ended May 31, 2009

STOLT-NIELSEN S.A.
CONDENSED CONSOLIDATED INCOME STATEMENT
(UNAUDITED)

	Six months ended	
	May 31, 2009	May 31, 2008
	(in thousands, except per share data)	
Operating Revenue	\$ 785,618	\$ 985,549
Operating Expenses	<u>652,954</u>	<u>799,243</u>
Gross Profit	132,664	186,306
Share of profit of joint ventures and associates	8,282	10,695
Administrative and general expenses	(85,183)	(97,212)
Restructuring charges	(16)	(589)
(Loss) gain on disposal of assets, net	(210)	7,014
Other operating income	373	773
Other operating expense	<u>(379)</u>	<u>(229)</u>
Operating Profit	<u>55,531</u>	<u>106,758</u>
Non-Operating Income (Expense):		
Finance expense	(14,552)	(14,534)
Finance income	3,853	3,476
Foreign currency exchange gain (loss), net	5,694	(2,571)
Other non-operating expense	<u>(182)</u>	<u>—</u>
Profit before Income Tax	50,344	93,129
Income tax	<u>(8,059)</u>	<u>(10,013)</u>
Net Profit for the Period	\$ <u>42,285</u>	\$ <u>83,116</u>
<i>Attributable to:</i>		
Equity holders of SNSA	42,061	82,799
Minority interest	<u>224</u>	<u>317</u>
	\$ <u>42,285</u>	\$ <u>83,116</u>
Earnings per Share:		
Net profit attributable to SNSA shareholders		
Basic	\$ <u>0.71</u>	\$ <u>1.39</u>
Diluted	\$ <u>0.70</u>	\$ <u>1.38</u>
Weighted average number of Common shares		
Basic	59,645	59,613
Diluted	59,726	59,942

See notes to the condensed interim consolidated financial statements.

STOLT-NIELSEN S.A.
CONDENSED CONSOLIDATED BALANCE SHEET
(UNAUDITED)

	As per period ended	
	May 31, 2009	November 30, 2008
	(in thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 52,137	\$ 34,257
Cash collateral for bunker hedge losses	9,000	23,361
Receivables	161,511	185,285
Inventories	9,849	8,103
Biological assets	28,554	25,812
Prepaid expenses	38,104	56,284
Assets held for sale	3,594	7,538
Derivative financial instruments	9,842	23
Income tax receivable	6,712	14,200
Other current assets	25,920	24,911
Total Current Assets	345,223	379,774
Property, plant and equipment	2,446,003	2,339,953
Investments in and advances to joint ventures and associates	278,705	304,477
Deferred tax assets	4,565	9,311
Intangible assets and goodwill	31,790	29,695
Employee benefit assets	9,553	8,619
Derivative financial instruments	10,240	—
Other assets	10,912	9,759
Total Non-current Assets	2,791,768	2,701,814
Total Assets	\$ 3,136,991	\$ 3,081,588
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term bank loans	\$ 430,017	\$ 475,555
Current maturities of long-term debt and finance leases	68,831	65,322
Accounts payable	51,881	61,721
Accrued voyage expenses	61,067	61,670
Dividend payable	—	29,892
Accrued expenses	133,521	146,686
Provisions	10,039	11,864
Income tax payable	9,016	10,001
Derivative financial instruments	26,880	76,764
Other current liabilities	15,760	16,030
Total Current Liabilities	807,012	955,505
Long-term debt and finance leases	800,503	734,935
Deferred tax liabilities	7,442	7,721
Employee benefits	52,332	47,600
Derivative financial instruments	12,178	15,068
Other liabilities	3,332	4,658
Total Non-current Liabilities	875,787	809,982
Shareholders' Equity		
Founder's shares	—	—
Common shares	64,134	64,134
Paid-in surplus	347,885	347,499
Retained earnings	1,168,533	1,131,672
Reserves	1,302	(98,963)
	1,581,854	1,444,342
Less – Treasury stock	(130,953)	(131,307)
Equity Attributable to Equity Holders of SNSA	1,450,901	1,313,035
Minority interest	3,291	3,066
Total Shareholders' equity	1,454,192	1,316,101
Total Liabilities and Shareholders' Equity	\$ 3,136,991	\$ 3,081,588

See notes to the condensed interim consolidated financial statements.

STOLT-NIELSEN S.A.
CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE
(UNAUDITED)

	For the six months ended	
	May 31, 2009	May 31, 2008
	(in thousands)	
Net gain on cash flow hedges recognised in equity	\$ 69,394	\$ 7,223
Exchange differences arising on translation of foreign operations	30,870	18,209
Actuarial loss on pension schemes	(7,067)	(4,944)
Deferred tax credit on actuarial loss on pension schemes	1,744	990
Net income recognised directly in equity	94,941	21,478
Net profit for the period	42,285	83,116
Total recognised income and expense for the period	\$ 137,226	\$ 104,594
<i>Attributable to:</i>		
Equity holders of SNSA	137,002	104,277
Minority interest	224	317
	\$ 137,226	\$ 104,594

See notes to the condensed interim consolidated financial statements.

STOLT-NIELSEN S.A.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

	For the six months ended	
	May 31, 2009	May 31, 2008
	(in thousands)	
Cash generated from operations (Note 4)	\$ 132,076	\$ 75,673
Interest paid	(25,217)	(24,332)
Interest received	6,508	2,359
Income taxes received	5,460	259
Net cash generated by operating activities	118,827	53,959
Cash flows from investing activities:		
Capital expenditures	(147,989)	(311,936)
Purchase of intangible assets	(1,551)	(73)
Proceeds from sales of ships and other assets	14,175	19,432
Investment in joint ventures and associates	(884)	(31,135)
Repayment of advances to joint ventures and associates	46,346	1,361
Other, net	389	(200)
Net cash used in investing activities	(89,514)	(322,551)
Cash flows from financing activities:		
(Decrease) increase in short-term bank loans, net	(45,538)	182,237
Proceeds from issuance of long-term debt	100,926	138,495
Repayment of long-term debt	(31,132)	(21,048)
Deferred debt issuance costs	(1,841)	(375)
Capital lease payments	(643)	(158)
Proceeds from exercise of stock options	94	1,065
Dividends paid	(29,892)	(29,849)
Net cash (used in) provided by financing activities	(8,026)	270,367
Effect of exchange rate changes on cash	(3,407)	9,216
Net increase in cash and cash equivalents	17,880	10,991
Cash and cash equivalents at beginning of the period	34,257	32,327
Cash and cash equivalents at end of the period	\$ 52,137	\$ 43,318

See notes to the condensed interim consolidated financial statements.

STOLT-NIELSEN S.A.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Preparation

The condensed interim consolidated financial statements of Stolt-Nielsen S.A. (the “Company” or “SNSA”), a Luxembourg company and its subsidiaries (collectively, the “Group”) have been prepared using accounting policies consistent with International Financial Reporting Standards as adopted by the European Union (“IFRS”) and in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be reviewed in conjunction with the final consolidated financial statements for the year ended November 30, 2008, to fully understand the current financial position of the Group.

2. Significant Accounting Policies

The accounting policies applied are consistent with those described in footnote 2 of the annual financial statements for the year ended November 30, 2008.

The Group expects the following impact from the new standards or interpretations that are not yet adopted.

- In September 2007, the IASB issued Amendments to IAS 1, Presentation of Financial Statements – A Revised Presentation (“IAS 1R”), which requires separate presentation of owner and non-owner changes in equity by introducing the statement of comprehensive income. The Statement of recognised income and expense will no longer be presented. Whenever there is a restatement or reclassification, an additional balance sheet, as at the beginning of the earliest period presented, will be required to be published. The revised standard is effective for annual periods beginning on or after January 1, 2009. There will be no effect on the Group’s income or net assets. IAS 1R has not yet been adopted by the European Union (“EU”).
- In January 2008, the IASB issued a revised version of IFRS 3, Business Combinations. Goodwill may be calculated based on the parent’s share of net assets or it may include goodwill related to the minority interest. All transaction costs will be expensed. Fair value gains or losses on existing investments in an acquired company will be recognised in the income statement at the date of acquisition. The standard is applicable to business combinations occurring after the date of adoption by the Group. Business combinations before the date of adoption will not be restated and thus there will be no effect on the Group’s reported income or net assets on adoption. The revised standard is effective on or after the first annual period after June 30, 2009.

The following new or amendments to standards and interpretations have been issued and become effective in 2009 but will have no material impact on the financial statements of the Group:

- IAS 23 (Amendment), Borrowing Costs, effective from January 1, 2009
- IAS 32, Financial Instruments: Presentation, effective January 1, 2009
- IFRS 2, Share-based Payment, effective January 1, 2009
- IFRIC 15, Agreement for Construction of Real Estate, effective from January 1, 2009
- IFRIC 17, Distributions of Non-cash Assets to Owners, effective from July 1, 2009
- IFRIC 18, Transfer of Assets from Customers, effective from July 1, 2009
- IFRS Improvements to IFRSs, effective dates vary, but primarily from January 1, 2009
- IFRS Improvements to IFRSs (April 2009), dates vary, but primarily from January 1, 2010
- IFRS 1 and IAS 27 Amendments, Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate, effective January 1, 2009
- IAS 32 and IAS 1 Amendments, Puttable Financial Instruments and Obligations Arising on Liquidations, effective January 1, 2009
- IAS 39 Amendments, Eligible Hedged Items, effective July 1, 2009
- IFRS 7, Improving Disclosures about Financial Instruments, effective January 1, 2009

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- IFRIC 9 and IAS 39, Embedded Derivatives, effective June 30, 2009

The Group early adopted IFRIC 14, The Limit of a Defined Benefit Asset, Minimum Funding Requirement and their Interactions and IFRS 8, Operating Segments for the year ended November 30, 2008.

3. Statements of Changes in Shareholders' Equity

	Capital Stock	Paid-in Surplus	Treasury Stock	Retained Earnings	Foreign Currency Reserves	Hedging Reserves	Attributable to equity holders of SNSA	Minority Interest	Total
(in millions, except for share data)									
Balance, December 1, 2007	\$ 64.1	\$ 345.9	\$ (133.6)	\$ 1,068.0	\$ 26.7	\$ (4.6)	\$ 1,366.5	\$ 3.3	\$ 1,369.8
Exercise of share options for 75,639 Treasury shares	—	(1.1)	2.2	—	—	—	1.1	—	1.1
Share-based compensation	—	1.3	—	—	—	—	1.3	—	1.3
Cash dividends paid—\$1.00 per Common share (a)	—	—	—	(59.5)	—	—	(59.5)	—	(59.5)
Cash dividends paid—\$0.005 per Founder's shares	—	—	—	(0.1)	—	—	(0.1)	—	(0.1)
Profit for the period	—	—	—	82.8	—	—	82.8	0.3	83.1
Translation adjustments, net	—	—	—	—	18.2	—	18.2	—	18.2
Net actuarial loss on pension schemes	—	—	—	(4.0)	—	—	(4.0)	—	(4.0)
Net gains on cash flow hedges	—	—	—	—	—	7.2	7.2	—	7.2
Balance, May 31, 2008	\$ 64.1	\$ 346.1	\$ (131.4)	\$ 1,087.2	\$ 44.9	\$ 2.6	\$ 1,413.5	\$ 3.6	\$ 1,417.1
Balance, December 1, 2008	\$ 64.1	\$ 347.4	\$ (131.3)	\$ 1,131.7	\$ (14.8)	\$ (84.1)	\$ 1,313.0	\$ 3.1	\$ 1,316.1
Exercise of share options for 12,123 Treasury shares	—	(0.2)	0.4	—	—	—	0.2	—	0.2
Share-based compensation	—	0.7	—	—	—	—	0.7	—	0.7
Profit for the period	—	—	—	42.1	—	—	42.1	0.2	42.3
Translation adjustments, net	—	—	—	—	30.8	—	30.8	—	30.8
Net actuarial loss on pension schemes	—	—	—	(5.3)	—	—	(5.3)	—	(5.3)
Net gains on cash flow hedges	—	—	—	—	—	69.4	69.4	—	69.4
Balance, May 31, 2009	\$ 64.1	\$ 347.9	\$ (130.9)	\$ 1,168.5	\$ 16.0	\$ (14.7)	\$ 1,450.9	\$ 3.3	\$ 1,454.2

(a) The \$59.5 million is inclusive of the 2007 interim dividend of \$29.8 million and the 2007 final dividend of \$29.7 million.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

4. Reconciliation of Net Profit to Cash Generated from Continuing Operations

	Six months ended	
	May 31, 2009	May 31, 2008
	(in millions)	
Net profit	\$ 42.3	\$ 83.1
Adjustments to reconcile profit to net cash from operating activities:		
Depreciation of property, plant and equipment	67.3	60.8
Amortization of intangible assets	1.3	—
Amortization of debt issuance costs	1.1	0.3
Net periodic benefit costs of defined benefit pension plans	2.8	2.0
Provisions for reserves and deferred taxes	3.8	10.0
Share of profit of joint ventures and associates	(8.3)	(10.7)
Fair value adjustment on biological assets	(3.4)	2.2
Foreign currency related losses (gains)	2.5	(3.4)
Loss (gain) on disposal of assets, net	0.2	(7.0)
Share-based compensation expense	0.6	1.4
Changes in assets and liabilities, net of effect of acquisitions and divestitures:		
Decrease (increase) in trade receivables	20.3	(19.3)
Increase in inventories	(1.7)	(4.5)
Decrease in biological assets	2.7	1.9
Decrease (increase) in prepaid expenses and other current assets	30.8	(29.3)
(Decrease) increase in accounts payable and other current liabilities	(22.4)	5.1
Contributions to defined benefit pension plans	(5.5)	(18.6)
Dividends from joint ventures and associates	0.5	0.8
Other, net	(2.8)	0.9
Cash generated from continuing operations	\$ 132.1	\$ 75.7

5. Business and Geographic Segment Information

The segment information is provided on the same basis as stated in the consolidated financial statements for the year ended November 30, 2008.

The following tables show the summarized financial information, in U.S. million dollars, for each reportable segment and the underlying operating segments:

	<u>Tankers</u>	<u>Terminals</u>	<u>Tank Containers</u>	<u>Stolt Sea Farm</u>	<u>Corporate and Other</u>	<u>Total</u>
<i>For the six months ended</i>						
<i>May 31, 2009</i>						
Operating revenue	\$ 491.3	\$ 57.2	\$ 208.5	\$ 23.9	\$ 4.7	\$ 785.6
Depreciation and amortization including drydocking	(48.3)	(6.7)	(10.4)	(1.5)	(1.7)	(68.6)
Share of profit of joint ventures and associates	5.2	3.1	—	—	—	8.3
Operating profit (loss)	(0.8)	21.4	31.3	6.0	(2.4)	55.5
Capital expenditures	123.9	16.7	2.0	4.2	1.2	148.0
<i>As of May 31, 2009</i>						
Investments in and advances to joint ventures and associates	127.2	149.4	2.1	—	—	278.7
Segment assets	\$ 2,171.0	\$ 458.5	\$ 294.1	\$ 82.5	\$ 130.9	\$ 3,137.0

	<u>Tankers</u>	<u>Terminals</u>	<u>Tank Containers</u>	<u>Stolt Sea Farm</u>	<u>Corporate and Other</u>	<u>Total</u>
<i>For the six months ended</i>						
<i>May 31, 2008</i>						
Operating revenue	\$ 659.1	\$ 57.4	\$ 227.4	\$ 39.0	\$ 2.6	\$ 985.5
Depreciation and amortization including drydocking	(44.2)	(6.2)	(6.2)	(1.6)	(2.6)	(60.8)
Share of profit of joint ventures and associates	7.4	3.2	0.1	—	—	10.7
Operating profit (loss)	66.9	18.7	21.2	10.8	(10.8)	106.8
Capital expenditures	250.9	18.1	17.1	1.2	24.6	311.9
<i>As of November 30, 2008</i>						
Investments in and advances to joint ventures and associates	122.3	180.4	1.8	—	—	304.5
Segment assets	\$ 2,117.3	\$ 462.1	\$ 314.7	\$ 75.4	\$ 112.1	\$ 3,081.6

6. Dividends

On February 13, 2009, the Company's Board of Directors recommended no final dividend payment for 2008. The action by the Board reflected the Company's focus on conserving cash, given the weakness and uncertainty in the global economic outlook.

On December 10, 2008, the Company paid an interim dividend of \$0.50 per common share and \$0.005 per founder's share. The dividend resulted in cash payments of \$29.8 million and \$0.1 million respectively.

7. Property, Plant and Equipment

During the six months ended May 31, 2009, the Group spent \$148.0 million on property, plant and equipment, primarily reflecting (a) \$113.7 million related to installments on the Group's newbuilding tanker program, (b) \$5.1 million on drydocking of ships, (c) \$16.7 million on terminal projects and (d) \$6.0 million on a new farm for growing sole. Interest of \$15.5 million was capitalized on the newbuildings. The *Stolt Island* was delivered in the first six months of 2009.

The Group recorded net loss on sale of assets of \$0.2 million, primarily consisting of the sale of *Stolt Excellence*, *Stolt Eagle*, *Stolt Condor* and *Stolt Loyalty* during the six months ended May 31, 2009. Net proceeds received were \$14.2 million.

During the six months ended May 31, 2008, the Group spent \$311.9 million, primarily reflecting (a) \$216.0 million related to installments on the Group's newbuilding tanker program, (b) \$22.5 million for the purchase of the *Stolt Nanami*, a previously time chartered ship, (c) \$14.6 million for the acquisition of 1,100 tank containers, and (d) \$22.1 million for installments for two Bitumen ships. Interest of \$11.2 million was capitalized on the newbuildings.

The Group recorded net gains on the sale of assets of \$7.0 million, primarily consisting of the sale of the *Stolt Heron*, *Stolt Tenacity*, *Stolt Osprey* and *Stolt Frigate* during the six months ended May 31, 2008. Net proceeds received were \$19.4 million. Subsequent to May 31, 2008 the *Stolt Hawk* was sold for \$4.5 million and resulted in a gain on sale of approximately \$3.1 million.

The Group has reviewed its plant, property and equipment for impairment at May 31, 2009 by comparing its carrying amount to the higher of its fair value less costs to sale or future discounted cash flows that the asset is expected to generate over its remaining useful life. If a ship or equipment is considered to be impaired, impairment is recognised in an amount equal to the excess of the carrying value of the asset over its recoverable value. No impairment of ships was considered necessary.

A projected 5% decrease in the deep sea tanker trading gross margins assumed in the discounted cash flow models used in the impairment testing would result in a decrease in the present value of the deep sea fleet of ships by approximately \$55 million. This is still greater than net book value and would not result in an impairment of the Group's ships.

An increase in the weighted average cost of capital used in the present value calculation of 2% would result in the decrease in present value of the deep sea fleet of ships by approximately \$106 million which would not result in an impairment of the Group's ships.

8. Short and Long Term Debt

DnB NOR/Eksportfinans \$250.0 million Facility Agreement

On March 9, 2009 the Group entered into a \$250.0 million facility agreement with Eksportfinans ASA and DnB Nor Bank ASA. \$200 million of this facility is guaranteed by Garanti-instituttet for Eksportkredit ASA (“GIEK”). The facility will be secured by a mortgage on four ships that the Group has contracted to be constructed by STX Yards in Norway. After the delivery of each of the ships, the loan portion in respect of each of the ships (referred in the loan agreement as tranches 1-4) will be repaid in 24 semi-annual installments, with balloon payments along with the 24th installment for tranches 1-4 totaling \$37.5 million. On April 1, 2009 the Group made the initial draw down on the facility after taking delivery of the first ship. The interest rate for this facility is based on the LIBOR plus 0.25%. The Group has converted the LIBOR rate into a fixed rate loan through interest rate swap contracts based on the anticipated future delivery dates. The swaps begin to be effective on December 1, 2009. As of May 31, 2009 the Group had drawn down a total of \$62.5 million under the facility.

9. Commitments and Contingencies

As of May 31, 2009, the Group had total capital expenditure purchase commitments outstanding of approximately \$825.7 million, including the shipbuilding agreements discussed below.

Shipbuilding Contracts

The Group has entered into two agreements with SLS for a total of eight 43,000 dwt parcel tankers. The aggregate price for the eight ships is expected to be approximately \$723.0 million, with deliveries scheduled to take place between mid 2010 and early 2012. The SLS new ships will have a combination of 24 stainless tanks and 15 coated tanks. The outstanding commitment, net of deposits, is \$434.8 million. Financing has been obtained for these commitments.

The Group has also entered into an agreement with SLS for four 44,000 dwt parcel tankers. The aggregate price for the four ships is expected to be approximately \$242.5 million of which \$146.9 million remains as an outstanding commitment. The original agreement was that upon delivery, one parcel tanker would be sold to Gulf Navigation with the remaining three to have been sold to Gulf Stolt Tankers FZCO. See footnote 10 below for related financing. Gulf Navigation has also entered into a separate agreement with SLS for the purchase of two 44,000 dwt parcel tankers which also will be entered into the STJS. On March 18, 2009, the Group cancelled the first ship, citing extended delivery delays. All progress payments are covered by refund guarantees. On March 27, 2009, SLS informed the Group that they were challenging the cancellation. Arbitration proceedings will take place during 2009. If the Group loses in these arbitration proceedings, the Group will have to pay liquidated damages. The damages will be calculated by reference to the contract price or if the actual build cost of the ship exceeds the contract price, then to the actual build cost. Given the early stage of this arbitration, it is not possible to estimate the outcome of the arbitration or any required liquidated damages. On March 30, 2009, the Group entered into arbitration with SLS on the second ship, disputing SLS’s claim for *force majeure* to justify delays on that ship.

The Group entered into two agreements with Aker Yards (since then acquired by STX and now referred above as STX Yards) to build a total of six 43,000 dwt parcel tankers. The new ships will be equipped with 24 stainless steel tanks and 15 coated tanks. The aggregate price for the above-mentioned six ships is expected to be approximately \$548.8 million. The first ship, the *Stolt Sagaland*, was delivered in the first quarter 2008, the *Stolt Sneland* in the fourth quarter 2008 and the *Stolt Island* in the first quarter 2009. Future deliveries are scheduled to take place in 2009 and 2010 and the outstanding commitment on the remaining three ships, net of deposits, is \$114.6 million.

The Group has provided guarantees to the Usuki Shipyards Co. Ltd (“Usuki”) for 50% of the cost for four 12,500 dwt ships to be constructed by Usuki for NYK Stolt Shipholding Inc., the Group’s 50% owned joint venture. At May 31, 2009, the guarantee is for the Group’s share of expenditures of \$52.1 million and extends until June 2011. The Group has recorded a liability of \$0.4 million and \$0.5 million at May 31, 2009 and November 30, 2008, respectively, in relation to the fair value of this guarantee.

10. Related Party Transactions

The Group continues to transact with related parties as in prior years. Of particular note, the Group was repaid \$46.3 million on a long-term advance by Oiltanking Stolthaven Antwerp N.V. during the six months ended May 31, 2009.

On March 16, 2009 the Group’s joint venture, Gulf Stolt Tankers FZCO entered into a \$135 million secured term loan agreement with Deutsche Bank AG, Nordea Bank Norge ASA and Fokus Bank. The facility will finance up to 70% of the total purchase price of three of the 44,000 dwt parcel tankers, as mentioned above, currently under construction at SLS. The facility, which is fully guaranteed by the

joint venture and non-recourse to the Group, matures on May 31, 2016. The interest rate for the facility is based on LIBOR plus a margin which can range from LIBOR plus 1.50% to LIBOR plus 1.75%.

11. Seasonality

Sales of seafood are generally stronger for Caviar and Turbot in the first quarter of the year as this coincides with increased sales over the Christmas and New Year holidays.

12. Legal Proceedings

For the matters described below, the Company incurred legal costs of \$4.3 million in the first half of 2009 and \$4.1 million in the first half of 2008, which are included in “Administrative and general expenses” in the consolidated income statements. The Group records provisions for certain legal cases discussed below where it believes the likelihood of losses is probable. Ongoing legal proceedings could have a material adverse effect on the Group’s consolidated financial position or results of operations in the future.

The Company has also made provisions for cash payments under, or guaranteed payment terms of, agreements or agreements reached in principle or offers made to customers to resolve or avoid antitrust litigation.

The Company expects that it will continue to incur additional legal costs until these matters are resolved. During 2009, the Company has been involved in a number of legal proceedings, primarily antitrust-related, which are described below.

U.S. Department of Justice, European Commission and Canadian Competition Bureau Antitrust Investigations into the Company’s Parcel Tanker Business

There has been no change in the status or position of these legal proceedings since February 3, 2009, the date of the last audited financial statements for the year ended November 30, 2008. Please see Note 25 of the audited financial statements for the year ended November 30, 2008.

Antitrust Civil Class Action Litigations and Arbitrations

During 2008 and the first half of 2009, there were three putative private antitrust class action lawsuits outstanding against the Company in U.S. federal and state courts for alleged violations of antitrust laws:

1. *Karen Brock, on behalf of herself and all others similarly situated, v. Stolt-Nielsen S.A., Stolt-Nielsen Transportation Group Ltd., Odfjell ASA, Odfjell USA, Inc., Jo Tankers BV, Jo Tankers USA, Inc., Tokyo Marine Co. Ltd and Does 1 through 100 inclusive, No. CGC 04429758 (Superior Court of Cal., County of San Francisco) (“Brock”);*
2. *Scott Sutton, on behalf of himself and all others similarly situated in the State of Tennessee v. Stolt-Nielsen S.A., Stolt-Nielsen Transportation Group Ltd., Odfjell ASA, and Odfjell Seachem AS, Odfjell USA Inc., Jo Tankers BV, Jo Tankers USA, Inc., and Tokyo Marine Co. Ltd., No. 28,713-II (Cir. Ct. Cocke County, Tenn.) (“Sutton”); and*
3. *AnimalFeeds International Corp., Inversiones Pesqueras S.A., Central Pacific Protein Corp, and Atlantic Shippers of Texas, Inc., individually and on behalf of all other similarly situated v. Stolt-Nielsen S.A., Stolt-Nielsen Transportation Group Ltd., Odfjell ASA; Odfjell USA Inc., Jo Tankers BV, Jo Tankers USA, Inc., and Tokyo Marine Co. Ltd, 2:03-CV-5002 (E.D. Pa.) (“AnimalFeeds”).*

These class actions set forth almost identical claims of collusion and bid rigging that track information in media reports regarding the DOJ and EC antitrust investigations into the parcel tanker industry that began in 2002. On behalf of each putative class, the suits seek treble damages in unspecified amounts and allege violations of the Sherman Antitrust Act or various state antitrust and unfair trade practices acts.

State Court Indirect Purchaser Antitrust Class Actions: Brock and Sutton. In *Brock* and *Sutton*, indirect purchasers of Stolt-Nielsen’s parcel tanker services claim in state court antitrust class actions that collusion resulted in higher prices being passed on to them. The *Brock* action, which is pending in California state court, continues to be stayed by agreement of the parties.

In *Sutton*, which is pending in the Tennessee state courts, the Company filed a motion to dismiss the complaint in its entirety. The parties subsequently stipulated to a dismissal at the trial court level with the plaintiffs reserving the right to appeal. On appeal, by order dated February 27, 2009, the Court of Appeals of Tennessee vacated the trial court’s decision (without reaching the merits of the stipulated dismissal) and remanded for a determination of whether the trial court has personal jurisdiction over the parties, including the Company. On May 18, 2009, the trial court heard arguments regarding the personal jurisdiction issue and permitted the plaintiffs 60 days in which to conduct discovery. The motion to dismiss remains pending.

Multidistrict Litigation (MDL) in the U.S. District Court for the District of Connecticut: AnimalFeeds. In *AnimalFeeds*, a customer claims on behalf of a putative class that, as a result of the defendants' alleged collusive conduct, it paid higher prices under its contracts with the defendants. *AnimalFeeds* was consolidated into a single multidistrict litigation ("MDL") proceeding in the U.S. District Court for the District of Connecticut (the "MDL Court") captioned "In re Parcel Tanker Shipping Services Antitrust Litigation." As a result of rulings by the U.S. Court of Appeals for the Second Circuit in related, and now terminated, civil court proceedings involving the Company, *AnimalFeeds*, as a direct purchaser, was required to proceed in arbitration rather than in federal district court.

The Company proceeded to arbitrate with *AnimalFeeds* before an arbitral tribunal ("New York Arbitral Tribunal"), and the MDL action was stayed pending the arbitration. The parties agreed to divide the arbitration proceedings into three phases: (1) clause construction (to determine if class arbitration is permitted under the arbitration clause); (2) class certification; and (3) merits/liability.

On December 20, 2005, the New York Arbitral Tribunal entered a partial final award on clause construction, holding that the arbitration clauses permitted class arbitration. The Company then petitioned the U.S. District Court for the Southern District of New York to vacate that partial final award, and the arbitrators stayed the arbitration pending the court's review. On June 26, 2006, the district court ruled that class arbitration is not permitted under the parties' arbitration clauses.

On November 4, 2008, a three-judge panel of the Second Circuit reversed the district court ruling and upheld the arbitrators' ruling that the arbitration clauses permit class arbitration of the antitrust claims. On June 15, 2009, the U.S. Supreme Court granted the Company's petition for certiorari to review of the Second Circuit's ruling; oral argument is currently expected in the fall of 2009. The arbitration is stayed pending the Supreme Court's ruling.

In light of the early stages of these litigations and arbitrations, the fact-intensive nature of the issues involved, the unsettled law and the inherent uncertainty of litigation and arbitration, the Company is not able to determine if a negative outcome in any of these ongoing actions is probable, or a reasonable range for any such outcome, and the Company has not made any provision for any of these claims in the accompanying consolidated financial statements. It is possible that the outcomes of any or all of these proceedings could have a material adverse effect on the Company's financial condition, cash flows and results of operations.

Direct Purchaser Opt-Out Arbitrations

In addition to the three remaining putative class actions described above, other parcel tanker customers of the Company have come forward over the past six years and presented formal arbitration demands seeking antitrust damages awards. As previously disclosed, the Company has resolved many such claims in confidential commercial agreements. During 2008, the Company received no formal demands for arbitration of such antitrust disputes. Some Company customers in 2008, however, broached potential issues arising out of the parcel tanker industry in informal discussions with the Company. In early 2009, certain of those customers presented arbitration demands or made other formal claims.

In light of the early stage of these potential claims, the fact intensive nature of the issues involved, the inherent uncertainty of litigation and arbitration, the unsettled law and the potential offsetting effect of counterclaims asserted against the claimants, the Company is not able to determine if a negative outcome in any of these actions is probable, or a reasonable range for any such outcome, and has made no provision for the claims raised in these proceedings in the accompanying consolidated financial statements.

Given the volume of commerce involved in the Company's parcel tanker business, an adverse ruling in one or more of these civil antitrust proceedings, including arbitrations, or in private damages claims could subject the Company to substantial civil damages.

Customer Settlements

There has been no change in the status or position of this legal proceedings since February 3, 2009, the date of the last audited financial statements for the year ended November 30, 2008. Please see Note 25 of the audited financial statements for the year ended November 30, 2008.

Antitrust Civil Action by Former Competitor

There has been no change in the status or position of this legal proceedings since February 3, 2009, the date of the last audited financial statements for the year ended November 30, 2008. Please see Note 25 of the audited financial statements for the year ended November 30, 2008.

Federal Securities Class Action Litigation

In March 2003, an individual claiming to have purchased SNSA American depository receipts ("ADRs"), Joel Menkes, filed a putative civil securities class action in the U.S. District Court for the District of Connecticut against the Company and four individuals. On September 8, 2003, plaintiffs' counsel filed a

Consolidated Amended Class Action Complaint (“Consolidated Complaint”) and replaced Mr. Menkes with new plaintiffs, Gustav and Irene Rucker. That complaint alleged that SNSA and the other defendants had violated U.S. embargo laws, as well as U.S. securities laws, because SNSA’s public filings failed to disclose that a “material portion” of SNSA’s revenues resulted from the defendants’ violations of U.S. embargo and antitrust laws.

On March 1, 2006, after motion practice by the parties, the plaintiffs filed their Second Consolidated Amended Class Action Complaint (“Second Consolidated Complaint”). The Second Consolidated Complaint’s securities claims focus entirely on SNSA and the other defendants’ alleged antitrust violations. The Second Consolidated Complaint does not allege any violations of U.S. embargo laws. The Second Consolidated Complaint appears to be based significantly on media reports, including regarding the DOJ investigation described above. Specifically, the current complaint purports to be brought on behalf of plaintiffs as well as (i) all purchasers of SNSA’s American Depositary Receipts (‘ADRs’) from February 1, 2001 through February 20, 2003, inclusive, and (ii) all United States located purchasers of SNSA ordinary shares traded on the Oslo Stock Exchange between May 24, 2000 and February 20, 2003, inclusive.

The Second Consolidated Complaint claims that SNSA “misrepresented and failed to disclose that a material portion of SNSA’s and SNTG’s revenues and earnings during the Class Period was derived from an illegal pact between SNTG and Odfjell ASA (‘Odfjell’), SNTG’s main competitor.” The Second Consolidated Complaint asserts that the Company’s failure to disclose such alleged behavior, coupled with allegedly “false and misleading” statements, caused plaintiffs to pay inflated prices for the Company’s securities by making it appear that the Company was “immune to an economic downturn that was afflicting the rest of the shipping industry” and misleading them to believe that the Company’s earnings came from legitimate transactions.

On October 10, 2008, following additional motion practice, SNSA and the other defendants moved to dismiss the current complaint in its entirety in light of intervening Supreme Court decisions in *Bell Atlantic Corp. v. Twombly*, 127 S. Ct. 1955 (2007) and *Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 127 S. Ct. 2499 (2007).

In June 2009, prior to any ruling on the motion to dismiss, the Company reached an agreement that resolves this class action litigation. This agreement, which is expected to be filed publicly with the court in July 2009, admits no liability or wrongdoing on the part of the Company or its officers and directors and requires the Company to make payments totaling \$2.0 million. The agreement requires notice to the class of the proposed terms and is subject to court approval (which cannot be assured).

The Company has made a \$2.0 million accrual with respect to this settlement agreement.

General

The Company is a party to various other legal proceedings arising in the ordinary course of business. The Company believes that none of those matters will have a material adverse effect on its business or financial condition.

The ultimate outcome of governmental and third-party legal proceedings is inherently difficult to predict. The Company’s operations are affected by U.S. and foreign environmental protection laws and regulations. Compliance with such laws and regulations entails considerable expense, including ship modifications and changes in operating procedure.

Due to the uncertainty over the resolution of the matters described above, other than for the Menkes securities class action described above, as of May 31, 2009, the Company had not established any reserves for legal fees and costs related to these proceedings.

13. Events After the Balance Sheet Date

On June 26, 2009, the Group cancelled a contract with SLS for the construction of the second in the series of four 44,000 dwt coated parcel tankers, citing extended delivery delays. The ship was originally scheduled for delivery in October 2008. All progress payments are covered by bank refund guarantees.

On June 30, 2009, the Group took delivery of the *Stolt Norland*, a 43,000 dwt parcel tanker from STX Yards.

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Auditor's Report on Review of Condensed Consolidated Interim Financial Information

To the Board of Directors of
Stolt-Nielsen S.A.

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Stolt-Nielsen S.A. and its subsidiaries (the "Group") as of May 31, 2009 and the related condensed consolidated income statement, the condensed consolidated statement of recognized income and expense and the condensed consolidated cash flow statement for the six-month period then ended (the "condensed consolidated interim financial information"). The Board of Directors is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Financial Reporting Standards as adopted by the European Union applicable to interim financial reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

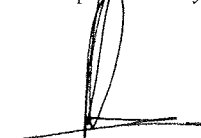
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34.

PricewaterhouseCoopers S.à r.l.
Réviseur d'entreprises

Represented by



Laurence Demelenne

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors

Represented by



Clive Hinds

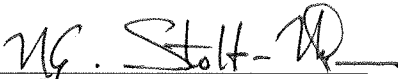
Luxembourg, July 2, 2009

Responsibility Statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period December 1, 2008 to May 31, 2009 has been prepared in accordance with IAS 34 as adopted by the European Union and gives a true and fair view of the Group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the Interim Operational and Financial Review includes a fair review of important events that have occurred during the six months ended May 31, 2009 and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties facing the Group and major related parties transactions.

London
July 2, 2009

Signed for and on behalf of the Board of Directors



Niels G. Stolt-Nielsen
Chief Executive Officer



Jan Chr. Engelhardt
Chief Financial Officer