STOLT-NIELSEN LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Nine Months Ended August 31, 2018

STOLT-NIELSEN LIMITED

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STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

(UNAUDITED)

		Three Months Ended		Nine Months Ended	
	Notes	**August 31, 2018**	**August 31, 2017**	**August 31, 2018**	**August 31, 2017**
			(in thousands)		
Operating Revenue	4	**$ 543,121**	$ 513,750	**$ 1,599,397**	$ 1,490,248
Operating Expenses		**(376,173)**	(342,569)	**(1,090,344)**	(990,182)
		166,948	171,181	**509,053**	500,066
Depreciation and amortisation	4	**(68,569)**	(66,828)	**(204,049)**	(195,924)
Impairment of plant, property and equipment	4, 7	**–**	–	**(11,804)**	–
Gross Profit		**98,379**	104,353	**293,200**	304,142
Share of profit of joint ventures and associates	4, 8	**6,876**	4,657	**27,922**	13,034
Administrative and general expenses		**(52,239)**	(54,579)	**(166,751)**	(160,336)
Gain (loss) on disposal of assets, net		**154**	1,241	**(554)**	(1,426)
Other operating income		**1,822**	492	**5,026**	1,487
Other operating expense		**(197)**	(161)	**(614)**	(850)
Operating Profit		**54,795**	56,003	**158,229**	156,051
Non-Operating Income (Expense)					
Finance income		**1,165**	795	**2,839**	2,965
Finance expense		**(34,197)**	(33,045)	**(104,343)**	(98,677)
Foreign currency exchange loss, net		**(2,819)**	(2,408)	**(4,400)**	(2,927)
Other non-operating (expense) income, net	8	**(12,622)**	112	**(12,426)**	717
Profit before Income Tax		**6,322**	21,457	**39,899**	58,129
Income tax (expense) benefit	11	**(3,986)**	(3,110)	**10,876**	(8,868)
Net Profit		**$ 2,336**	$ 18,347	**$ 50,775**	$ 49,261
***Attributable to*:**					
Equity holders of SNL		**2,997**	18,490	**51,260**	49,249
Non-controlling interests		**(661)**	(143)	**(485)**	12
		$ 2,336	$ 18,347	**$ 50,775**	$ 49,261
Earnings per Share:					
Net profit attributable to SNL shareholders					
Basic		**$ 0.05**	$ 0.30	**$ 0.83**	$ 0.80
Diluted		**$ 0.05**	$ 0.30	**$ 0.83**	$ 0.80

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF

OTHER COMPREHENSIVE INCOME

(UNAUDITED)

	Three Months Ended		Nine Months Ended	
	August 31, 2018	**August 31, 2017**	**August 31, 2018**	**August 31, 2017**
		(in thousands)		
Net profit for the period	**$ 2,336**	$ 18,347	**$ 50,775**	$ 49,261
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit and other post-employment benefit obligations	–	–	**7,611**	(1,960)
Deferred tax adjustment on defined benefit and other post-employment benefit obligations	–	–	**(4,599)**	1,500
Items that may be reclassified subsequently to profit or loss:				
Net (loss) income on cash flow hedges	**(11,683)**	(53,937)	**49,989**	(60,530)
Reclassification of cash flow hedges to income statement	**11,764**	50,082	**(28,193)**	54,036
Net (loss) income on cash flow hedges held by joint ventures and associates	**(28)**	(936)	**2,531**	850
Deferred tax adjustment on cash flow hedges	**189**	343	**(344)**	343
Exchange differences arising on translation of foreign operations	**(14,785)**	21,035	**(27,303)**	45,043
Deferred tax on translation of foreign operations	**494**	43	**1,406**	(303)
Exchange differences arising on translation of joint ventures and associates	**(8,181)**	7,692	**(7,450)**	18,557
Change in value of available-for-sale financial assets	**(3,524)**	(3,704)	**(565)**	(6,337)
Net (loss) income recognised as other comprehensive income	**(25,754)**	20,618	**(6,917)**	51,199
Total comprehensive (loss) income	**$ (23,418)**	$ 38,965	**$ 43,858**	$ 100,460
Attributable to:				
Equity holders of SNL	**$ (22,757)**	$ 39,108	**$ 44,343**	$ 100,448
Non-controlling interests	**(661)**	(143)	**(485)**	12
	$ (23,418)	$ 38,965	**$ 43,858**	$ 100,460

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

(UNAUDITED)

	Notes	August 31, 2018	November 30, 2017
		(in thousands)	
ASSETS			
Current Assets:			
Cash and cash equivalents		**$ 85,244**	$ 58,308
Restricted cash		**81**	98
Receivables		**253,113**	241,115
Inventories		**12,272**	8,851
Biological assets		**47,294**	45,696
Prepaid expenses		**71,906**	66,699
Derivative financial instruments	10	**12,961**	9,025
Income tax receivable		**8,422**	7,648
Assets held for sale		**998**	2,275
Other current assets		**33,128**	44,150
Total Current Assets		**525,419**	483,865
Property, plant and equipment	6	**3,296,808**	3,440,609
Investments in and advances to joint ventures and associates	8	**521,814**	531,930
Investments in equity instruments	8	**72,059**	57,570
Deferred tax assets		**10,906**	13,699
Intangible assets and goodwill	6	**48,809**	51,635
Employee benefit assets		**4,679**	5,498
Derivative financial instruments	10	**4,846**	4,742
Deposit for newbuildings	6	**14,623**	7,297
Other non-current assets		**14,025**	18,014
Total Non-Current Assets		**3,988,569**	4,130,994
Total Assets		**$ 4,513,988**	$ 4,614,859
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Short term bank loans	9	**$ 15,400**	$ —
Current maturities of long-term debt and finance leases	9	**330,780**	432,568
Accounts payable		**91,893**	89,891
Accrued voyage expenses		**60,560**	53,356
Accrued expenses		**173,739**	183,253
Provisions		**3,334**	2,529
Income tax payable		**13,081**	10,691
Dividend payable	5	**—**	13,814
Derivative financial instruments	10	**12,476**	60,871
Other current liabilities		**46,322**	37,299
Total Current Liabilities		**747,585**	884,272
Long-term debt and finance leases	9	**2,099,388**	2,037,144
Deferred tax liabilities		**44,856**	66,411
Employee benefit obligations		**31,802**	39,638
Derivative financial instruments	10	**89,256**	99,175
Long-term provisions		**1,970**	2,367
Other non-current liabilities		**4,857**	7,023
Total Non-Current Liabilities		**2,272,129**	2,251,758
Total Liabilities		**3,019,714**	3,136,030
Shareholders' Equity			
Founder's shares		**16**	16
Common shares		**64,134**	64,134
Paid-in surplus		**150,108**	150,108
Retained earnings		**1,523,763**	1,483,143
Other components of equity		**(179,818)**	(169,889)
		1,558,203	1,527,512
Less – Treasury shares	5	**(66,247)**	(51,486)
Equity Attributable to Equity Holders of SNL		**1,491,956**	1,476,026
Non-controlling interests		**2,318**	2,803
Total Shareholders' Equity		**1,494,274**	1,478,829
Total Liabilities and Shareholders' Equity		**$ 4,513,988**	$ 4,614,859

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(UNAUDITED)

	Attributable to Equity Holders of SNL										
	Common Shares	**Founder's Shares**	**Paid-in Surplus**	**Treasury Shares**	**Retained Earnings**	**Foreign Currency**	**Hedging**	**Fair Value**	**Total**	**Non-Controlling Interests**	**Shareholders' Equity Total**
	(in thousands, except for share data)										
Balance, November 30, 2016	**$ 64,134**	**$ 16**	**$ 150,108**	**$ (51,486)**	**$ 1,466,551**	**$ (172,788)**	**$ (29,978)**	**$ (46,536)**	**$ 1,380,021**	**$ 3,567**	**$ 1,383,588**
Comprehensive income (loss)											
Net profit	—	—	—	—	49,249	—	—	—	49,249	12	49,261
Other comprehensive income (loss)											
Translation adjustments, net	—	—	—	—	—	63,297	—	—	63,297	—	63,297
Net loss on cash flow hedges	—	—	—	—	—	—	(5,301)	—	(5,301)	—	(5,301)
Remeasurement of post-employment benefit obligations, net of tax	—	—	—	—	(460)	—	—	—	(460)	—	(460)
Fair value adjustment equity investments	—	—	—	—	—	—	—	(6,337)	(6,337)	—	(6,337)
Total other comprehensive (loss) income	—	—	—	—	(460)	63,297	(5,301)	(6,337)	51,199	—	51,199
Total other comprehensive income (loss)	**—**	**—**	**—**	**—**	**48,789**	**63,297**	**(5,301)**	**(6,337)**	**100,448**	**12**	**100,460**
Transactions with shareholders											
Cash dividend paid -$0.50 per Common Share	—	—	—	—	(27,472)	—	—	—	(27,472)	—	(27,472)
Acquisition of 20% of Shanghai Stolt Kingman	—	—	—	—	—	—	—	—	—	(739)	(739)
Total transactions with shareholders	**—**	**—**	**—**	**—**	**(27,472)**	**—**	**—**	**—**	**(27,472)**	**(739)**	**(28,211)**
Balance, August 31, 2017	**$ 64,134**	**$ 16**	**$ 150,108**	**$ (51,486)**	**$ 1,487,868**	**$ (109,491)**	**$ (35,279)**	**$ (52,873)**	**$ 1,452,997**	**$ 2,840**	**$ 1,455,837**
Balance, November 30, 2017	**$ 64,134**	**$ 16**	**$ 150,108**	**$ (51,486)**	**$ 1,483,143**	**$ (106,645)**	**$ (17,430)**	**$ (45,814)**	**$ 1,476,026**	**$ 2,803**	**$ 1,478,829**
Comprehensive income (loss)											
Net profit	—	—	—	—	51,260	—	—	—	51,260	(485)	50,775
Other comprehensive income (loss)											
Translation adjustments, net	—	—	—	—	—	(33,347)	—	—	(33,347)	—	(33,347)
Remeasurement of post-employment benefit obligations, net of tax	—	—	—	—	3,012	—	—	—	3,012	—	3,012
Fair value adjustment equity investments	—	—	—	—	—	—	—	(565)	(565)	—	(565)
Net income on cash flow hedge	—	—	—	—	—	—	23,983	—	23,983	—	23,983
Total other comprehensive income (loss)	—	—	—	—	3,012	(33,347)	23,983	(565)	(6,917)	—	(6,917)
Total comprehensive income (loss)	**—**	**—**	**—**	**—**	**54,272**	**(33,347)**	**23,983**	**(565)**	**44,343**	**(485)**	**43,858**
Transactions with shareholders											
Cash dividend paid -$0.25 per Common Share	—	—	—	—	(13,652)	—	—	—	(13,652)	—	(13,652)
Purchase of own shares	—	—	—	(14,761)	—	—	—	—	(14,761)	—	(14,761)
Total transactions with shareholders	**—**	**—**	**—**	**(14,761)**	**(13,652)**	**—**	**—**	**—**	**(28,413)**	**—**	**(28,413)**
Balance, August 31, 2018	**$ 64,134**	**$ 16**	**$ 150,108**	**$ (66,247)**	**$ 1,523,763**	**$ (139,992)**	**$ 6,553**	**$ (46,379)**	**$ 1,491,956**	**$ 2,318**	**$ 1,494,274**

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

(UNAUDITED)

	Notes	For the Nine Months Ended August 31, 2018	For the Nine Months Ended August 31, 2017
		(in thousands)	
Cash generated from operations:	3	**$ 345,873**	$ 361,696
Interest paid		**(91,657)**	(90,565)
Debt issuance costs		**(125)**	(3,012)
Interest received		**2,131**	1,611
Income taxes paid		**(8,703)**	(5,694)
Net cash generated by operating activities		**247,519**	264,036
Cash flows from investing activities:			
Capital expenditures	6	**(102,352)**	(281,623)
Purchase of intangible assets	6	**(2,250)**	(1,872)
Cash from sale of marketable securities		–	11,507
Deposit for newbuildings	6,12	**(7,326)**	(14,592)
Proceeds from sale of ships and other assets	6	**8,180**	8,793
Final payment on business acquisition		–	(21,009)
Acquisition of non-controlling interest		–	(1,311)
Advances to joint ventures and associates, net		**(5,853)**	(14,648)
Other, net		**1,090**	2,446
Net cash used in investing activities		**(108,511)**	(312,309)
Cash flows from financing activities:			
Increase (decrease) in short-term bank loans, net	9	**15,400**	(8,100)
Proceeds from issuance of long-term debt	9	**203,517**	615,052
Repayment of long-term debt	9	**(282,512)**	(506,391)
Finance lease payments		**(78)**	(74)
Purchase of treasury shares	5	**(14,761)**	–
Dividends paid	5	**(27,465)**	(55,022)
Net cash (used in) provided by financing activities		**(105,899)**	45,465
Net increase (decrease) in cash and cash equivalents		**33,109**	(2,808)
Effect of exchange rate changes on cash		**(6,173)**	(4,024)
Cash and cash equivalents at beginning of the period		**58,308**	92,784
Cash and cash equivalents at the end of the period		**$ 85,244**	$ 85,952

See notes to the condensed consolidated interim financial statements.

1. Basis of Preparation

The condensed consolidated interim financial statements of Stolt-Nielsen Limited (the "Company" or "SNL"), a Bermuda-registered company, and its subsidiaries (collectively, the "Group") are prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as adopted by the European Union and in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The unaudited condensed consolidated interim financial statements should be reviewed in conjunction with the audited Consolidated Financial Statements for the year ended November 30, 2017, to fully understand the current financial position of the Group.

2. Significant Accounting Policies

The accounting policies applied are consistent with those described in Note 2 of the Consolidated Financial Statements for the year ended November 30, 2017, with the exception of income taxes which for the purpose of interims financial statements are calculated based on the expected effective tax rate for the full year.

3. Reconciliation of Net Profit to Cash Generated from Operations

	For the Nine Months Ended	
	August 31, 2018	**August 31, 2017**
	(in thousands)	
Net profit	**$ 50,775**	$ 49,261
Adjustments to reconcile net profit to net cash from operating activities:		
Depreciation of property, plant and equipment	**200,433**	193,527
Amortisation of intangible assets	**3,616**	2,397
Impairment of property, plant and equipment	**11,804**	–
Fair value loss on equity instruments (Note 8)	**12,884**	–
Finance expense, net	**101,504**	95,712
Net periodic benefit expense of defined benefit pension plans	**2,220**	1,866
Income tax (benefit) expense	**(10,876)**	8,868
Share of profit of joint ventures and associates	**(27,922)**	(13,034)
Fair value adjustment on biological assets	**(3,068)**	4,756
Foreign currency related loss	**4,400**	2,927
Unrealised bunker hedge gain	**(5)**	(238)
Loss on disposal of assets, net	**554**	1,426
Changes in assets and liabilities, net of effect of acquisitions and divestitures:		
Increase in receivables	**(13,093)**	(32,524)
Increase in inventories	**(3,363)**	(2,223)
Decrease in biological assets	**739**	561
Decrease in prepaid expenses and other current assets	**8,974**	2,631
(Decrease) increase in accounts payable and other current liabilities	**(3,152)**	37,810
Contributions to defined benefit pension plans	**(1,537)**	(1,596)
Dividends from joint ventures and associates	**12,612**	9,195
Other, net	**(1,626)**	374
Cash generated from operations	**$ 345,873**	$ 361,696

4. 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, 2017.

The following tables show the summarised financial information, in US thousands of dollars, for each reportable segment:

	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Corporate and Other (a)	Total
For the three months ended August 31, 2018						
Operating revenue	$ 312,417	$ 62,623	$ 141,841	$ 25,550	$ 690	$ 543,121
Depreciation, amortisation and impairment including drydocking	(45,072)	(14,456)	(6,134)	(1,519)	(1,388)	(68,569)
Share of profit (loss) of joint ventures and associates	985	5,768	575	—	(452)	6,876
Operating profit (loss)	21,388	18,634	17,733	403	(3,363)	54,795
Capital expenditures (b)	8,913	31,321	2,113	2,243	1,045	45,635
For the nine months ended August 31, 2018						
Operating revenue	916,146	189,015	417,520	73,595	3,121	1,599,397
Depreciation, amortisation and impairment including drydocking	(134,148)	(42,873)	(18,426)	(4,519)	(15,887)	(215,853)
Share of profit (loss) of joint ventures and associates	2,568	27,403	1,249	—	(3,298)	27,922
Operating profit (loss)	58,814	64,757	52,781	9,747	(27,870)	158,229
Capital expenditures (b)	29,479	66,375	3,921	4,796	12,229	116,800
As of August 31, 2018						
Investments in and advances to joint ventures and associates	237,133	252,626	31,571	—	484	521,814
Segment assets	2,360,289	1,278,369	529,674	140,980	204,676	4,513,988

	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Corporate and Other (a)	Total
For the three months ended August 31, 2017						
Operating revenue	$ 299,689	$ 60,958	$ 132,615	$ 18,481	$ 2,007	$ 513,750
Depreciation, amortisation and impairment including drydocking	(43,156)	(14,012)	(6,570)	(1,697)	(1,393)	(66,828)
Share of profit (loss) of joint ventures and associates	1,366	5,695	385	—	(2,789)	4,657
Operating profit (loss)	34,440	16,019	14,801	(2,505)	(6,752)	56,003
Capital expenditures (b)	47,751	14,381	2,473	1,230	7,974	73,809
For the nine months ended August 31, 2017						
Operating revenue	875,662	181,385	375,857	49,408	7,936	1,490,248
Depreciation, amortisation and impairment including drydocking	(126,899)	(40,556)	(19,924)	(4,280)	(4,265)	(195,924)
Share of profit (loss) of joint ventures and associates	4,954	15,206	872	—	(7,998)	13,034
Operating profit (loss)	90,543	48,751	37,488	(1,369)	(19,362)	156,051
Capital expenditures (b)	220,621	56,872	8,041	2,410	10,151	298,095
As of November 30, 2017						
Investments in and advances to joint ventures and associates	235,680	242,153	23,148	—	30,949	531,930
Segment assets	2,469,911	1,267,717	530,172	136,012	211,047	4,614,859

(a) Corporate and Other include Stolt-Nielsen Gas and Stolt Bitumen.

(b) Capital expenditures include additions to property, plant and equipment, ship deposits and intangible assets other than goodwill including additions resulting from acquisitions through business combinations.

5. Shareholders' Equity and Dividends

The Group's authorised share capital consists of 65,000,000 Common shares, par value of $1 per share, and 16,250,000 Founder's shares, par value of $0.001 per share.

As of November 30, 2017, there were 64,133,796 Common shares issued and 16,033,449 Founder's shares issued, of which 61,944,855 Common shares and 15,486,214 Founder's shares were outstanding.

As at August 31, 2018, the number of Common and Founder's shares issued remain identical to November 30, 2017, of which 60,910,820 Common shares and 15,227,705 Founder's shares were outstanding.

Treasury Shares

On February 7, 2018, the Board authorised continuation of the share buy-back programme initially announced on March 2, 2016. Under that 2016 buy-back programme, the Board had authorised the purchase of up to $30.0 million worth of the Company's Common Shares, of which the Company only utilised $1.7 million, leaving $28.3 million available for further purchases. In the nine months ended August 31, 2018, a further 1,034,035 shares had been repurchased for $14.8 million, leaving $13.5 million available for further purchases.

Treasury Shares – Transfer

The Group pledged 7,000,000 Treasury shares as collateral for the SEB $60.0 million revolver facility. In order to comply with Bermuda law, the ownership of these shares was transferred from Stolt-Nielsen Limited to Stolt-Nielsen Finance Limited, a wholly owned subsidiary. Stolt-Nielsen Finance Limited holds these shares on behalf of the lender and they are no longer included in Treasury Shares. These shares are now included within Paid-In Surplus on the Balance Sheet. These shares are considered outstanding for the purposes of the Earnings Per Share calculation.

Dividends

On February 7, 2018, the Group's Board of Directors recommended a final dividend for 2017 of $0.25 per Common share, payable on May 9, 2018 to shareholders of record on April 26, 2018. The dividend was approved at the Company's Annual General Meeting of Shareholders held on April 19, 2018 in Bermuda. The total gross amount of the dividend was $13.7 million and paid on May 9, 2018.

On November 15, 2017, the Group's Board of Directors declared an interim dividend of $0.25 per Common share and $0.005 per Founder's share to shareholders of record as of November 29, 2017. The total gross amount of the dividend was $13.8 million, which was classified as an interim dividend and paid on December 12, 2017.

6. Property, Plant and Equipment and Intangible Assets

During the three months ended August 31, 2018, the Group spent $42.1 million on property, plant and equipment. Cash spent during the quarter primarily reflected (a) $23.6 million on terminal capital expenditures, and (b) $8.5 million on drydocking of ships, (c) $3.1 million on tankers capital expenditures, (d) $1.6 million on the purchase of tank containers and construction at depots and (e) $3.4 million on the Stolt Sea Farm capital expenditures. Interest of $0.8 million was capitalised on the new construction of terminals and gas newbuildings.

During the nine months ended August 31, 2018, the Group spent $102.4 million on property, plant and equipment. Cash spent during the period primarily reflected (a) $57.7 million on terminal capital expenditures, (b) $21.1 million on drydocking of ships, (c) $8.7 million on tankers capital expenditures, (d) $3.9 million on the purchase of tank containers and construction at depots and (e) $5.0 million on the Stolt Sea Farm capital expenditures. Interest of $2.8 million was capitalised on the new construction of terminals and gas newbuildings.

For the nine months ended August 31, 2018, the Group paid deposits of $7.3 million for the gas newbuildings.

Proceeds of $8.2 million were received from the sale of ships, retirement of tank containers and other assets.

During the nine months ended August 31, 2018, the Group spent $2.3 million on intangible assets, mainly on computer software. Revaluation for foreign exchange differences on goodwill and other intangibles amounted to a loss of $1.3 million in the same period.

7. Impairment of Bitumen Ships

The Group used Fair Value Less Cost of Disposal ("FVLCD") for the Bitumen ships to determine the recoverable amount of $10.0 million based on indicative broker values from independent ship brokers. As a result, the Group recognised an impairment of $11.8 million for the nine months ended August 31, 2018 for two Bitumen ships. The Bitumen division's assets are reflected under Corporate and Other Business Segment.

8. Investment in Joint Ventures and Associates

During the nine months ended August 31, 2018, the Group's Belgian joint venture reduced its net deferred tax liabilities by $8.2 million due to the reduction in Belgian Corporate Tax rates. The amount is included within Share of profit from joint ventures and associates.

At the annual general meeting of Avance Gas Holdings Limited ("AGHL") held on July 13, 2018, the Group's two representatives on the Board did not stand for re-election. As a result, the Group no longer held significant influence with effect from July 13, 2018 and AGHL ceased to be an associate. Accordingly, from that date, the Group changed the method of accounting for this investment from the equity method to fair value through Other Comprehensive Income, which resulted in a one-time fair value loss of $12.9 million. This loss represents the difference between the carrying amount of the AGHL investment at July 13, 2018 and its fair value and recognised under Other Non-Operating Expense in the Income Statement during the three months ended August 31, 2018 and the nine months ended August 31, 2018.

From July 13, 2018, the investment in AGHL was classified as an equity instrument and the fair value gains and losses will be recognised through Other Comprehensive Income.

9. Short and Long-Term Debt

Short-term debt consists of debt obligations to banks under uncommitted lines of credit and bank overdraft facilities. Where the Group has the discretion to rollover its obligations for a period of more than 12 months and there is no expectation of settlement within 12 months, the debt is presented as long-term. This is the case at August 31, 2018 and November 30, 2017 for the $650.0 million reducing revolving credit facility. As of August 31, 2018, the Group had available committed credit lines of $216.0 million.

Long-term debt consists of debt collateralised by mortgages on the Group's ships, tank containers, terminals and investments, as well as $618.2 million unsecured bond financing at August 31, 2018.

	Cashflows For the Nine Months Ended	
	August 31, 2018	**August 31, 2017**
	(in thousands)	
Bank loan additions (repayments), net	**$ 15,400**	$ (8,100)
Proceeds from issuance of long-term debt	**203,517**	615,052
Repayment of long-term debt	**(282,512)**	(506,391)

Following the delivery of *Stolt Loyalty* in the fourth quarter of 2017, the Group drew down $7.6 million on the second tranche for this ship during the first quarter of 2018. This was the final tranche of the $291.8 million term loan with The Export-Import Bank of China and Standard Chartered Bank.

The Group had $355.0 million drawn on its revolving credit facility as at August 31, 2018, compared to $221.0 million as at November 30, 2017 and had $60.0 million drawn on the SEB share collateral revolving facility as at August 31, 2018 compared to $11.0 million drawn as at November 30, 2017.

In the nine months ended August 31, 2018, $282.5 million of debt was repaid, of which $148.7 million was paid on maturity of the NOK 873.5 million bond (SNI03), and the balance on various collateralised loan facilities. During the third quarter 2018, the Group negotiated a new facility with the Danish Ship Finance for $93.8 million. The Group intends to draw down the full amount during the fourth quarter of 2018.

The Group remains in compliance with all financial covenants and believes that it will be able to satisfy working capital, capital expenditures and debt requirements for at least the next 12 months from October 4, 2018.

10. Fair Value Measurements for Financial Assets and Liabilities

The following estimated fair value amounts have been determined by the Group, using appropriate market information and valuation methodologies. Considerable judgement is required to develop these estimates of fair value, thus the estimates provided herein are not necessarily indicative of the amounts that could be realised in a current market exchange:

	August 31, 2018		November 30, 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(in thousands)			
Financial Assets (Amortised Cost):				
Cash and cash equivalents	$ 85,244	$ 85,244	$ 58,308	$ 58,308
Restricted cash	81	81	98	98
Receivables	253,113	253,113	241,115	241,115
Other current assets	33,128	33,128	44,150	44,150
Financial Assets (Fair Value):				
Investments in equity instruments	72,059	72,059	57,570	57,570
Financial Liabilities (Amortised Cost):				
Accounts payables (excluding withholding and value added tax)	86,235	86,235	84,834	84,834
Accrued expenses	234,299	234,299	236,609	236,609
Dividend payable	–	–	13,814	13,814
Debt and finance leases including current maturities (excluding debt issuance costs)	2,473,625	2,511,852	2,503,293	2,597,212
Derivative Financial Instruments (Fair Value):				
Assets				
Bunker swaps	11,846	11,846	8,907	8,907
Bunker call options	524	524	3,458	3,458
Foreign exchange forward contracts	249	249	5	5
Interest rate swaps	4,942	4,942	1,132	1,132
Cross-currency interest rate swaps	246	246	265	265
	$ 17,807	**$ 17,807**	$ 13,767	$ 13,767
Liabilities				
Foreign exchange forward contracts	(627)	(627)	(50)	(50)
Interest rate swaps	(2,160)	(2,160)	(10,969)	(10,969)
Cross-currency interest rate swaps	(98,945)	(98,945)	(149,027)	(149,027)
	$ (101,732)	**$ (101,732)**	$ (160,046)	$ (160,046)

The carrying amount of cash and cash equivalents, receivables, other current assets, accounts payable (excluding withholding and value added tax payables), accrued expenses and dividend payable are a reasonable estimate of their fair value, due to their short maturity. The Group's investment in Golar LNG Limited and AGHL is measured using quoted prices in an active market, while derivative financial instruments are measured using inputs other than quoted values. There have been no changes in the fair value methodology since November 30, 2017.

Investments in equity instruments increased due to change in accounting of AGHL shares. See Note 8.

The estimated value of the Group's financial assets and equity instruments are based on traded value. The estimated value of its senior unsecured bond issues is based on traded values, while the value on the remaining long-term debt is based on interest rates as of August 31, 2018 and November 30, 2017, respectively, using the discounted cash flow methodology. The fair values of the Group's foreign exchange and bunker contracts are based on their estimated market values as of August 31, 2018 and November 30, 2017, respectively. Market value of interest rate and cross-currency interest rate swaps was estimated based on the amount the Group would receive or pay to terminate its agreements as of August 31, 2018 and November 30, 2017.

Long-term debt in the table above excludes debt issuance costs of $28.1 million and $33.6 million, respectively, as of August 31, 2018 and November 30, 2017.

Derivatives

The Group has derivative assets of $17.8 million and $13.8 million as of August 31, 2018 and November 30, 2017, respectively and derivative liabilities of $101.7 million and $160.0 million as of August 31, 2018 and November 30, 2017, respectively. All the Group's derivative activities are financial instruments entered with major financial institutions for hedging the Group's committed exposures or firm commitments with major financial credit institutions, shipbuilders and ship-repair yards. The fair values of the Group's foreign exchange contracts and cross-currency interest rate swaps are based on their estimated market values as of August 31, 2018 and November 30, 2017, respectively. There were no changes in the valuation techniques during the period. Net derivative liabilities for cross-currency interest rate swaps are lower by $50.1 million primarily due to the maturity of the NOK bond in March 2018. This bond was fully hedged using cross-currency interest rate swaps.

The Group had purchased forward contracts on 111,000 tons for delivery in each of 2017 and 2018, and 48,000 tons for delivery in 2019 with initial expiration dates ranging from three to 24 months forward. The bunker contracts were marked-to-market through the Income Statement and a realised and unrealised gain of $10.2 million was recorded for the nine months ended August 31, 2018.

11. US Tax Reform

On December 22, 2017, the US enacted the Tax Cuts and Jobs Act ("the Act"), which reduced the US federal corporate income tax rate from 35% to 21%, among other provisions, as of the effective date January 1, 2018.

In the first quarter of fiscal year 2018, based on actual calculations of the deferred tax position as of November 30, 2017, a deferred tax credit of $24.9 million has been recorded in the profit and loss account offset by a $22.2 million reduction in the US deferred tax liability and a tax charge to the Other Comprehensive Income of $2.7 million relating to the US defined benefit pension scheme. The provision for income taxes during interim quarterly reporting periods is based on our estimate of the US effective tax rate for the full fiscal year, which uses a blended rate of 22.17% for fiscal year 2018.

12. Commitments and Contingencies

As of August 31, 2018, and November 30, 2017, the Group had total capital expenditure purchase commitments outstanding of approximately $104.0 million and $113.7 million, respectively. At August 31, 2018, the total purchase commitments consisted of one newbuilding contract for two 7,500 cbm LNG carriers of $66.2 million, new and existing terminal expansion projects of $29.7 million, tank container projects of $5.9 million and new main engines for tankers to comply with environmental regulations of $2.2 million. Of the total purchase commitments at August 31, 2018, $31.9 million is expected to be paid over the next 12 months. The remaining $72.1 million will be paid out of existing liquidity.

Newbuilding Contract

The above newbuilding contract for the 7,500 cbm LNG carriers was announced on May 24, 2017. These ships will be built by Keppel Singmarine with expected delivery in 2019. The first newbuilding deposit of $7.3 million was paid in June 2017. The second newbuilding deposit of $7.3 million was paid in December 2017. The total cost for both ships is approximately $80.0 million, including site team costs and capitalised interest.

On August 23, 2018, the Group declared its options for the remaining two 7,500 cbm LNG carriers with Keppel Singmarine with expected delivery in the third and fourth quarter of 2020, respectively. During the fourth quarter of 2018, the first newbuilding deposit installment of $7.4 million will be due when the contracts are signed and refund guarantees are issued. Once these agreements are signed, these ships will be reflected as part of the capital commitments. The total delivered cost of these two additional ships, including site team and capitalized interest is approximately $82.0 million. See Note 16.

Environmental

Environmental disclosures are described in Note 26 of the Consolidated Financial Statements for the year ended November 30, 2017. There have been no significant changes that have occurred since that date.

Joint Ventures and Associates Purchase Commitments

The Group's joint ventures and associates had an additional $42.6 million of purchase commitments on August 31, 2018, which are non-recourse to the Group. These commitments primarily relate to terminal capital projects. Of the total 2018 purchase commitments at joint ventures and associates, $40.7 million is expected to be paid over the next 12 months and financing has been arranged by the joint venture for $26.1 million. The remaining terminal and tank container projects will be paid out of the existing liquidity of those joint ventures.

The last ship ordered by Hassel Shipping 4 A.S., a joint venture of the Group, was delivered on January 11, 2018 and was named the *Stolt Palm*.

On March 15, 2018, the Group's joint venture NYK Stolt Tankers, S.A. took delivery of *Stolt Excellence*, the last 38,000 dwt fully stainless steel newbuilding from Hudong Zhonghua Shipbuilding (Group) Co. Ltd in China.

13. Legal Proceedings

The Group is party to various legal proceedings arising in the ordinary course of business and in cases where it believes the likelihood of losses are probable and can be estimated, provisions would be recorded for those legal cases. Disclosure of legal proceedings has been described in Note 27 of the consolidated financial statements for the year ended November 30, 2017. There have been no significant changes to any ongoing legal proceedings since that time, except as discussed in Note 16 below, and the Group believes that none of the ongoing legal proceedings will have a material adverse effect on its business or financial condition.

To the extent that they are not covered by insurance, the Group expects to incur legal costs until these matters are resolved.

General

The ultimate outcome of governmental and third-party legal proceedings is inherently difficult to predict. The Group's operations are affected by international environmental protection laws and regulations. Compliance with such laws and regulations may entail considerable expense, including ship modifications and changes in operating procedures.

14. Related Party Transactions

The Group continues to transact with related parties as in prior years. Except as disclosed below, there were no new types of related party transactions nor new related parties identified since the year ended November 30, 2017.

In the nine months ended August 31, 2018, a member of the Board was given a loan of $0.2 million at an interest rate of 5.25%. The full amount, including accrued interest is expected to be repaid within 12 months.

15. Seasonality

Sales of seafood are generally stronger in the first quarter of the year as this coincides with increased sales over the Christmas and New Year holidays. Stolt Tank Containers shipment volumes may be negatively affected in the first quarter by the seasonality inherent in their key customers' businesses. Stolt Tanker's results can be negatively affected in the winter months in the Northern Hemisphere, because of weather conditions such as fog, ice and winter storms that cause port delays, congestion and waiting time. There is no significant seasonality in any of the other businesses.

16. Subsequent Events

As discussed in the disclosures in Note 27 of the consolidated financial statements for the year ended November 30, 2017, Stolt Tank Containers is involved in a civil action as a result of a fire on the *MSC Flaminia*. The Phase 2 trial for this matter was completed in August 2018. The US District Court in the Southern District of New York delivered a judgement on September 10, 2018 which held the Group jointly liable with Deltech for the incident where the counterparties are alleging damages of $169.0 million. The Group's ultimate liability has not been determined and it is not expected that it will have a material adverse effect on the Group's business or financial condition. The Group has recorded a deductible of $0.3m for this claim. The final phase of the trial to assess the quantum of damages is set to proceed in 2019 if an upcoming mediation process does not resolve the remaining damage issues. See Note 12.

On October 1, 2018, the Group announced its participation in a joint venture, Avenir LNG Limited ("Avenir"). This joint venture has three partners with the Group holding 50% of the shares in Avenir and Golar LNG Ltd and Höegh LNG Holdings Ltd. each holding 25% of the shares.

The Group's initial contribution of $49.5 million will consist of its two newbuilding contracts and two declared options at Keppel Singmarine, its investment in Higas SRL, the storage, regasification and distribution facility in Sardinia, and a cash consideration of $17.0 million.

Subsequent to the initial capital raised, Avenir LNG intends to raise an additional $10.0 million through strategic investors, with plans to register on the Norwegian OTC before the end of 2018. At that point, the shareholding of the Group is expected to reduce to 45%.

STOLT-NIELSEN LIMITED

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period December 1, 2017 to August 31, 2018 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 financial position and profit or loss and cash flows as a whole.

The maintenance and integrity of the Stolt-Nielsen Limited website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in Bermuda governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

London
October 4, 2018

Signed for and on behalf of the Board of Directors

Niels G. Stolt-Nielsen
Chief Executive Officer

Jens F. Grüner-Hegge
Chief Financial Officer