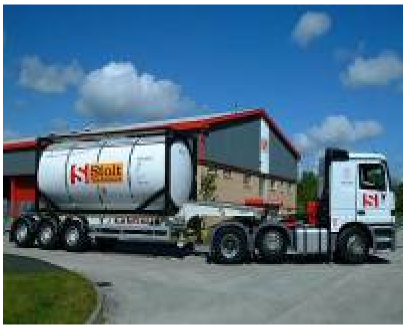

STOLT-NIELSEN LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Six Months Ended May 31, 2017

STOLT-NIELSEN LIMITED

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Interim Operational and Financial Review

Consolidated Income Statement

Stolt-Nielsen Limited's ("SNL" or the "Company") unaudited consolidated financial data for the six months ended May 31, 2017 and 2016 is summarised below. The financial statements are presented in U.S. dollars.

	For the Six Months Ended	
	May 31, 2017	**May 31, 2016**
	(in thousands, except per share)	
Operating revenue	**$ 976,498**	$ 942,841
Gross profit	**199,789**	207,472
Operating profit	**100,048**	127,068
Net profit	**30,914**	68,345
Net profit attributable to SNL shareholders	**30,759**	68,154
EPS attributable to SNL shareholders – diluted	**0.50**	1.24

Net profit attributable to SNL shareholders was $30,914 million for the first half of 2017, down from $68,345 million for the first half of 2016. This was due to lower operating results at Stolt Tankers, Stolt Sea Farm and Corporate and Others partially offset by higher operating profit at Terminals.

	For the Six Months Ended	
	May 31, 2017	**May 31, 2016**
	(in thousands)	
Operating revenue:		
Stolt Tankers	**$ 575,974**	$ 535,041
Stolthaven Terminals	**120,427**	114,181
Stolt Tank Containers	**243,242**	239,746
Stolt Sea Farm	**30,927**	32,512
Corporate and Other	**5,928**	21,361
Total	**$ 976,498**	$ 942,841
Operating profit (loss):		
Stolt Tankers	**$ 56,102**	$ 76,531
Stolthaven Terminals	**32,732**	24,256
Stolt Tank Containers	**22,686**	22,425
Stolt Sea Farm	**1,136**	8,916
Corporate and Other	**(12,608)**	(5,060)
Total	**$ 100,048**	$ 127,068

Operating Profit

The main differences in operating profit for the first six months of 2017, compared with the first six months of 2016, were:

- Stolt Tankers reported an operating profit of $56.1 million versus an operating profit of $76.5 million, or a decrease of $20.4 million. In November 2016 Stolt Tankers acquired the chemical tankers operations of Jo Tankers (JoT) and this has had a positive impact of $11.6 million in the first six months of 2017. However, the results for the rest of the fleet, excluding the acquired JoT ships, declined because of lower freight revenues, which were partially offset by lower sublet and transhipment cost and lower depreciation expense and higher bunker costs.

- Stolthaven Terminals reported an operating profit of $32.7 million versus $24.3 million. The higher operating profit was a result of a combination of a higher leased capacity and higher ancillary services, lower operating costs in Houston and New Orleans (USA) and accelerated depreciation in the first-half of 2016 on the assets in Gabador (New Zealand), a terminal that was closed in October 2016.
- Stolt Tank Containers reported an operating profit of $22.7 million, up from $22.4 million, an increase of $0.3 million. This was due to an increase in shipment volumes of 2.1% offset by a reduction in demurrage revenue. Higher depreciation and administrative expenses also impacted operating profit. This was partially offset by reduced tank rental and maintenance costs.
- Stolt Sea Farm reported an operating profit of $1.1 million, compared with an operating profit of $8.9 million. The unfavourable fair value adjustment recognised in the six months ended May 31, 2017 caused a $1.8 million decrease in profit, compared with a $6.4 million increase in the six months ended May 31, 2016. The 2017 unfavourable fair value adjustment was due to lower turbot prices between November 30, 2016 and May 30, 2017.
- Corporate and Other reported an operating loss of $12.6 million, versus operating loss of $5.1 million, reflecting expenses on commercial reorganisation, higher administrative and general expenses, lower earnings at Stolt Bitumen Services, and lower earnings from joint ventures.

Business Segment Information

This section summarizes the Company's operating performance for each of the business segments. The "Corporate and Other" category includes corporate-related expenses, and all other operations not reported under the other segments.

Stolt Tankers

Operating revenue increased to $576.0 million in the six months ended May 31, 2017 from $535.0 million in the same period in 2016. Deep-sea revenues increased by $42.9 million over the period while regional revenues decreased by $1.9 million. The increase in deep-sea revenues was primarily due to the impact of the JoT acquisition in late 2016. Deep-sea revenues were affected by lower reimbursement to customers from bunker rebates ($10.6 million compared to $38.3 million) as a result of higher bunker prices. In addition, operating days increased by 18%, primarily as a result of the JoT acquisition. Partially offsetting this was the effect of 2% lower utilisation and a 12% drop in average freight rates. The decrease in regional fleet revenues of $1.9 million was primarily caused by the sale of four ships in the European coastal fleet in the second half of 2016.

The Sailed-In Time-Charter Index is a measure of the daily sailed-in rate for the Stolt Tankers Joint Service ("STJS") indexed to the rate for the fleet in the first quarter of 1996. The average Sailed-In Time-Charter Index for the first six months of 2017 was 0.68, compared to 0.79 for the same period in 2016 due to an average deep sea freight rate decrease reflecting the impact of the predicted oversupply of ships resulting from a large orderbook in the stainless steel chemical tanker market and swing tonnage from the product tanker market.

Operating profit decreased to $56.1 million from $76.5 million, or $20.4 million, between the first six-months of 2017 and 2016. The increase in revenues of $41.0 million was more than offset by higher bunker and other expenses. Bunker expenses increased by $42.0 million during the first six months of 2017, compared with the same period in 2016. The average price of Intermediate Fuel Oil consumed was $312 per ton, or 70% more than the level of $184 per ton during the prior period. Partially offsetting this was external time charter costs of $12.5 million which decreased due to the JoT acquisition, as its chemical operations included six ships previously time-chartered by Stolt Tankers.

Ship-owning and depreciation expenses increased by $17.7 million between the periods, primarily due to the impact of the JoT acquisition, as well as the delivery of three newbuildings in the first half of 2017. Administrative and general expenses also increased by $5.6 million from the impact of JoT.

Joint venture income was $3.6 million for the first six months of 2017, decreasing by $3.8 million from the prior period. The income from the joint venture with Gulf Navigation decreased due to reduced deep-sea earnings and technical problems with one of the joint ventures ships. Income from the joint venture with NYK was also lower, due to reduced deep-sea earnings and the recycling of one ship in February 2016. The joint venture Hassel Shipping 4, had generated income of $1.4 million. This joint venture, acquired as part of the JoT transaction, had two newbuildings delivered in the fourth quarter of 2016 and two in the first half of 2017, with four more deliveries scheduled later in 2017 and 2018.

Stolthaven Terminals ("Stolthaven")

Stolthaven's revenues for the first half of 2017 increased by $6.2 million to $120.4 million from $114.2 million in the first half of 2016. The higher operating revenue was driven by higher utilisation of existing capacity and capacity expansion. During the second half of 2016 and first half of 2017, new capacity was commissioned in Singapore, Dagenham (U.K.) and Moerdijk (Netherlands). The utilisation rate increased to 89.3% in the first half of 2017 from 89.0% in the first half of 2016. The increase in utilisation was a result of new business in New Orleans (USA) and Newcastle (Australia), offset by lower business in Singapore and New Zealand. In addition, throughput increased in Santos (Brasil), which resulted in higher revenues.

Stolthaven's first-half operating profit increased by $8.4 million, to $32.7 million from $24.3 million in the same period in 2016. The increase in operating profit was the result of a combination of a higher utilised capacity and higher ancillary services, lower operating costs in Houston and New Orleans (USA) and accelerated depreciation in the first-half of 2016 on the assets in Gabador (New Zealand), a terminal that was closed in October 2016. Equity income from the terminal joint ventures decreased by $0.3 million, to $9.5 million from $9.8 million, as the positive impact of higher throughput in Ulsan (Korea) and a higher utilisation rate at the Lingang Terminals (China) because of business recovery was offset by a write-off of goodwill on the investment in Norterminal AS (Norway).

Stolt Tank Containers

Stolt Tank Containers' revenues were $243.2 million in the first half of 2017, compared with $239.7 million in the first half of 2016, reflecting an increase in shipment volumes and increased services at Stolt-owned depots. Operating revenues were held down by reduced freight rates due to aggressive price competition as well as a decrease in demurrage revenue. Shipments increased by 2.1% as activity in some markets began to recover against a backdrop of generally soft global economic conditions.

Stolt Tank Containers' operating profit increased by $0.3 million, as the operating margin decreased slightly to 9.3% in the first half of 2017, compared with 9.4% in the first half of 2016. The operating margin remained flat despite a 2.1% increase in shipments, primarily due to lower freight rates combined with lower demurrage revenue and higher administrative and general expenses. Operating profit was also held down by higher depreciation expense related to a reduction in salvage values of tank containers.

Stolt Sea Farm

Stolt Sea Farm's revenues decreased by $1.6 million in the first half of 2017, compared with the first half of 2016, due to a 58% decrease in caviar volumes partially offset by 23% increase in caviar average sales prices. The decrease in caviar volumes was the result in a change in marketing strategy focused on direct sales. Turbot volumes decreased by 2%, while turbot average prices increased by 5%. Sole volumes rose by 7%, as the Iceland farm increased its production, though sole prices decreased by 2%.

Stolt Sea Farm's operating profit was $1.1 million, down from $8.9 million, due to the lower prices in the turbot market at the end of the period, which resulted in the $1.8 million negative fair value adjustment in the first half of 2017, compared with a $6.4 million positive fair value adjustment during the same period in 2016. Excluding the fair value adjustment, operating profit remained relatively flat as lower turbot operating costs offset the lower caviar volumes. Turbot operating costs were 6% lower between periods due to consistently high growth.

Corporate and Other

Corporate and Other includes Bitumen, SNL's investments in gas and corporate charges.

Corporate and Other reported an operating loss of $12.6 million for the six months ended May 31, 2017, compared with a $5.1 million operating loss for the six months ended May 31, 2016. Included in the operating loss for the first half of 2017 were higher reorganization costs, $1.9 million of lower earnings from Stolt Bitumen, which ceased distribution and trading of bitumen in 2017. Earnings from the Gas division were also lower than expected. This was partially offset by an $1.3 million additional write-down of a gas joint venture advance, included in operating profit for the six months ended May 31, 2016.

Liquidity and Capital Resources

During the six months ended May 31, 2017, SNL met its liquidity needs through a combination of cash generated from operations, collateralised borrowings, commercial borrowings and sales of assets. SNL generated $160.3 million of cash from operating activities during the first six months of 2017, which, along with a $169.0 million net increase in short-term and long-term loans and $5.8 million of proceeds from the sale of assets, was used for capital expenditures and the acquisition of intangible assets of $218.2 million, a final payment to J.O. Invest for JoT of $21.0 million and payment of dividends of $55.0 million. As of May 31, 2017, the Group had cash of $121.6 million and available committed short-term credit lines of $246.5 million.

Proceeds from the issuance of debt for the six months ended May 31, 2017 were $544.3 million. In the six months ended May 31, 2017, the Group drew down $149.7 million from the $200.0 million term loan facility closed in November 2016 in connection with the acquisition of JoT. The proceeds were used to extinguish $146.1 million of long-term debt assumed with the JoT acquisition. With the delivery of the three newbuildings from China in the first six months, the Group drew down $161.1 million on its second, and third and fourth tranches under the $291.8 million term loan with Export and Import Bank of China and Standard Chartered Bank.

During the second half of the year, the existing Stolthaven Singapore terminal loan facility was successfully refinanced by a seven years SGD280.0 million ($202.4 million) secured amortising term loan facility with a syndicated group consisting of United Overseas Bank Limited, DBS Bank Ltd, Overseas-Chinese Banking Corporation Limited and Australia and New Zealand Banking Group Limited. The Group also drew down $12.0 million on a facility with Australia and New Zealand Banking Group Limited.

SNL believes that its cash flow from operations, secured financing and available credit facilities will continue to provide the liquidity necessary to satisfy its working capital requirements, scheduled debt repayments and committed capital expenditures for the 12 months after the date of issuance of the interim financial statements.

Market Review and Strategic Outlook

Stolt Tankers

The first half of 2017 saw the impact of the predicted oversupply of ships resulting from a large order book in the deep-sea stainless-steel chemical tanker market. The order book decreased from 27% in June 2016 to 17% in June 2017, as newly built tonnage began trading, adversely affecting the supply/demand balance. Stolt Tankers' total deep-sea volume increased by 16%, with cargo carried under Contracts of Affreightment ("COA") increasing by 7% and spot cargo volume increasing by 49%, but this was mainly due to the addition of tonnage and a trade lane acquired from Jo Tankers. Average deep-sea freight rates decreased by 12%; COA rates declined by 9%, of which 5.5% was due to rate reductions and 3.5% was due to shifts in cargo portfolios and adjustments for bunker surcharge clauses. At the same time, spot rates declined by 21%. Stolt Tankers maintained its high level of COA cover, with 72% of freight derived from COA in the first half of 2017, compared with 78% in the same period of 2016.

Stolt Tankers' outlook on market fundamentals remains unchanged. Continuing deliveries from a still-high deep-sea chemical tanker order book will supply more tonnage than required by current cargo demand. The Clean Petroleum market remains weak, with earnings of medium range ships – which can "swing" into the commodity end of the chemical trade – remaining below $10,000 per day. This combination will keep pressure on rates through 2017, and likely into 2018. Chemical exports from the U.S. Gulf and Arabian Gulf are expected to increase, and will over time fill the supply/demand gap over time, but this growth will take time to develop, and depends on uncertain market growth scenarios in Asia.

Stolthaven Terminals

In the first half of 2017, Stolthaven Terminals continued to focus on improving its services to its customers along with selective expansion. New capacity was commissioned at its fully owned terminals in Singapore, Dagenham and Moerdijk. Compared with the level at the beginning of 2017, total capacity increased by 30,000 cbm. Stolthaven Terminals is also diversifying the range of products it stores by adding products such as gas, clean petroleum products and vegetable oils under long-term contracts.

Stolthaven Terminals currently has ongoing expansion projects in four countries. A new expansion project in Santos will also be started, which will result in approximately 16,000 cbm of additional storage capacity. In the next six months, Singapore's storage capacity will be expanded by 20,000 cbm, Dagenham's storage capacity will be expanded by 7,000 cbm and the storage capacity at Jeong IL Stolthaven Ulsan Co. Ltd.,a 50% joint venture in South Korea will be expanded by 164,000 cbm.

Stolt Tank Containers

Stolt Tank Containers experienced increased demand for its services during the first half of 2017, compared with the same period in 2016. During this period the size of the fleet did not change materially as a minor number of older owned units were replaced with leased units. Revenue per shipment decreased slightly due to increased competition and lower freight costs. Volume is expected to continue to increase gradually in the second half of 2017 as demand for tank containers is expected to be strong in major markets worldwide.

Stolt Tank Containers continues to monitor the size and operating costs of its fleet of tank containers, as well as the balance of owned-versus-leased units. Leased units increased by 250 tanks, net of off-hires, in the first six months of 2017. At the same time, Stolt Tank Containers retired approximately 200 older tank containers. Stolt Tank Containers is expecting to take delivery of 100 new tanks in June 2017.

Margins are projected to remain flat or rise slightly, as rising operating costs recovered through pricing.

Stolt Sea Farm

The first half of 2017 for Stolt Sea Farm saw a progressive decline in turbot market prices due to the abundance of wild fish in the market in the first quarter of the fiscal year. Market prices are expected to increase in the seasonably strong summer months. Sole prices declined slightly over the same period but as the demand for SSF's sole remains strong. Market prices are expected to increase in the third quarter. Caviar volumes decreased by 23% in the first half of 2017, as SSF focused on developing a customer base for direct sales in the United States, which should drive increased margins.

Significant Risk Factors

Each business segment considers strategic, operational and financial risks, and identifies actions to mitigate those risks. These risk profiles are updated at least annually. The significant risks which are unchanged since the year end and uncertainties for the remaining six months of the financial year are discussed below.

Bunker Fuel and Freight Costs

Bunker fuel constitutes the single largest component of operating costs of the tanker fleet and increasing prices can have a material impact on the results. Although Stolt Tankers has successfully reduced the impact of price increases through bunker fuel adjustment clauses with contract customers, a significant portion of increased fuel costs is incurred solely by Stolt Tankers. Approximately 72% of Stolt Tankers' total volume in the first six months of 2017 was derived from Contract of Affreightments (COA). During that same time period, approximately 97% of the revenue earned under COA was under contracts that included provisions for bunker fuel adjustment clauses intended to share the risks with customers. The profitability of spot contracts and COAs without bunker fuel adjustment clauses, which comprised 28% of Stolt Tankers' revenue, was directly affected by changes in fuel prices, subject to the board-approved bunker hedging program. The policy is to hedge a minimum of 50% of expected bunker purchases within the next 12 months through either bunker surcharges included in the COA or hedging actions. Note that in periods where bunker prices are below the agreed-upon price in the individual COA, use of bunker fuel adjustment clauses results in Stolt Tankers reimbursing customers for fuel prices.

In 2016, as well as in June 2017, Stolt Tankers entered into a bunker hedging programme; with the goal of hedging that portion of Stolt Tankers' bunker exposure not covered by bunker surcharges.

For Stolt Tank Containers, as in prior years, the impact of increasing freight costs due to market conditions for container ships in most major regions, as well as rising fuel and cleaning prices, can result in downward pressure on margins. In those instances, cost increases are passed on to customers when possible. Given quoted rate validity periods to customers, there is typically a negative lag on margins until rates can be increased.

Tanker Industry Risk

The tanker industry is cyclical and volatile, which may lead to reductions and volatility in freight rates and ship values. Fluctuations in the rates that Stolt Tankers can charge result from changes in the supply and demand for ship capacity and changes in the supply and demand for the products carried, particularly the bulk liquids, chemicals, edible oils, acids and other specialty liquids that constitute the majority of the products that Stolt Tankers transports. Factors influencing demand include supply of products shipped, the distances that products are moved by sea, industrial production, economic growth and environmental developments. Factors influencing supply include the number of new ships being built, the number of old ships being recycled, changes in regulations and availability of shipyards.

Stolt Tankers mitigates this risk by actively managing the mix of business between COA and spot while also utilising various tools to increase fleet flexibility and reduce risk. COA business tends to be less volatile than spot business, in terms of both rates and volumes than spot business. Management endeavours to increase the contract percentage and lengthen contract duration during periods of uncertainty or when management determines that market conditions are likely to deteriorate. In general, Stolt Tankers maintains a relatively high percentage of contract business. Stolt Tankers also maintains a mix of owned and time-chartered ships. Use of time-chartered ships facilitates quicker balancing of the fleet in response to fluctuations in demand. Ships are ideally chartered prior to periods of high demand and redelivered during periods of soft demand. Within the owned fleet, Stolt Tankers endeavours to maintain a balanced age profile. Through this technique, fleet size can be managed by early retirement of older ships when demand is soft and life extension of ships during periods of strong demand.

Newbuilding Risk

SNL expends substantial sums during the construction of parcel tanker newbuildings without earning revenue and without assurance that the ships will be completed on time or at all. SNL ordered five newbuildings, of which four have been delivered, with the fifth is expected to be delivered in the second half of 2017, and participates in joint ventures that have entered into agreements for newbuildings. Stolt-Nielsen Gas BV also ordered two LNG carriers for delivery in 2019. SNL may also order additional newbuildings in the future. SNL is typically required to pay substantial amounts as progress payments during the construction of a newbuildings, but does not derive any revenue from the ship until after its delivery. SNL's receipt of newbuildings can be delayed temporarily or indefinitely because of:

- Quality or engineering problems;
- Work stoppages or other labour disturbances at the shipyard;
- Bankruptcy or other financial crisis of the shipyard;
- Backlog of orders at the shipyard;
- Changes to the original ship specifications at the request of SNL; or,
- Shortages of, or delays in, the receipt of necessary equipment or construction materials, such as steel.

If delivery of a ship is materially delayed, it could adversely affect the business, results of operations, cash flow and financial condition. SNL manages these risks by agreeing to standard industry provisions dealing with compensation for delays and rights to terminate the newbuilding contract. Any progress or down payments made by the Company under the newbuilding contracts are secured by refund guarantees issued by commercial banks or government institutions to cover the repayment obligation by the shipyards in case of a yard default.

Political and Geopolitical Risk

SNL has international operations, and the business, financial condition and results of operations may be adversely affected by changing economic, political and government conditions in the countries and regions where SNL's ships and tank containers are employed and terminals are located. SNL's joint venture terminal in Lingang received a license in June 2016, enabling the terminal to restart partial operations, after the explosion in the Port of Tianjin in August 2015. While it received its permit to resume full operations in 2016, full recovery of utilisation has not yet been achieved. Although SNL is not expected to be significantly impacted by the vote in the United Kingdom to exit the European Union ("Brexit"), the full consequence of Brexit is not yet known. As the Company is typically short GBP, a weakening of the currency is typically good for the Company. Any negative impact on global trade due to Brexit could be negative for the Company.

SNL is also exposed to geopolitical risks where territorial and other disputes between countries could lead to the outbreak of war or the existence of international hostilities that could damage the world economy, adversely affect the availability of, and demand for, petroleum and chemical products and adversely affect SNL's ability to operate ships, terminals or tank containers. Moreover, SNL operates in a sector of the economy that is likely to be adversely affected by the impact of political instability, terrorist or other attacks, war or international hostilities.

For an effective and competitive global chemical shipping business, managing geopolitical risk is a strategic imperative. Cross-border expansion to facilitate corporate growth is a significant contributor to growth. In some cases, cargoes are located in, or destined for, troubled or developing markets where considerable cultural, infrastructure, security or technology challenges must be met. At the same time, economic and population growth, especially in Asia, is creating new demand for petroleum and chemical products. Sufficient supply must be in place with supporting infrastructure and distribution to meet demand in these high growth markets.

Risk to Terminal Projects

Stolthaven Terminals is at various stages of designing and building tanks at some of its existing terminal locations. The development of terminal operations and jetties involves significant up-front investments in infrastructure and there are certain risks inherent to such developments, including political, regulatory, currency exchange, environmental, liquidity, financial and contractual risks. Different countries carry varying degrees of risk depending on social, cultural, political and financial development and stability. Stolthaven Terminals attempts to mitigate these risks by employing local country and regional representatives to act as liaisons with local authorities. While customer commitments are usually secured in advance for new capacity, securing such commitments is currently challenging. Experienced and dedicated commercial teams are in place globally, regionally and locally to focus on marketing new capacity.

Value of Biological Assets at Stolt Sea Farm

All mature turbot and sole are held at fair value less both costs to sell and costs related to harvest. Sturgeon and the caviar that the sturgeon produce are fair valued at the point of harvest. A fair value adjustment is also made at the point when juvenile turbot and sole are considered to become mature, which typically occurs when the fish reach a specified weight. Fair value is determined on the basis of market prices, and gains and losses from changes in fair value are recognised in the income statement.

The fair value of these assets fluctuates significantly based upon seasonality, competition, market conditions and existing supply. The fair value adjustment recognised in the six months ended May 31, 2017 was a $1.8 million decrease in profit, compared with a $6.4 million increase in profit in the six months ended May 31, 2016. There is a risk that future fair value adjustments could negatively impact the income statement.

Gas Carrier Industry Risk

The Company has investments in AGHL which specialises in the transportation of liquified petroleum gas (LPG) and in Golar LNG Ltd. ("Golar") which operates liquid natural gas (LNG) carriers. SNL is also looking at developing opportunities for the distribution of LNG to off-the-grid customers and in May 2017 announced that it has entered into an agreement with Keppel Shipyards for the construction of two 7,500 cbm LNG carriers with options to purchase three additional ships. The gas carrier industry is volatile, which may lead to fluctuations in freight rates, volumes and ship values. Fluctuations in the rates that can be charged result from changes in the supply and demand for ship capacity and changes in the supply and demand for the products carried. Factors influencing demand include supply of products shipped and the distances that products are moved by sea and environmental developments. Factors influencing supply include the number of new ships being built, the number of old ships being recycled, and the number of ships in lay-up or used for storage. As AGHL and Golar operate most of their ships in the spot market, the businesses are exposed to fluctuations in rates. Spot rates have historically been very volatile, driven by short-term variations in export volume. The recent low spot rates and lack of demand has led to significant volatility in the share price of AGHL and Golar. Both share prices have fallen steeply over the year and a half. For Golar, this has led to a significant decrease in the Company's other comprehensive income as the Golar investment is marked-to-market. For AGHL, this reduction in share price could potentially result in a negative impact on the income statement if it is deemed that any impairment of the investment is permanent.

Currency Risk

Most of the revenue earned by Stolt Tankers and Stolt Tank Containers is in U.S. dollars, while a significant portion of their operating expenses is incurred in other currencies, primarily the euro, the Norwegian kroner, the Singapore dollar, Japanese yen and the British pound. Where there is a mismatch between revenues and expense currencies, any depreciation of the revenue currency relative to the expense currency will decrease profit margins.

Safety and Environmental Risks

Safety for people and the environment are a top priority and a core value of SNL and its operating units. The Company manages its activities to eliminate incidents, minimise risk and promote excellence in operational performance. Incidents can affect the Company's "license to Operate" and therefore constitute the highest potential business risk. The Safety, Health and Environmental policies, procedures and practices of SNL, combined with rigorous training and the implementation of industry best practices, are aimed at maximizing safety and minimizing risk. Even so, there could be environmental incidents in the form of spills, damage to marine life or animal habitat. The consequence of such environmental damage could be significant costs related to the clean-up of spills, salvage costs and fines, as well as costs related to reputational damage. Although SNL carries insurance against such eventualities, the full cost could exceed the coverage afforded by the insurance.

Cyber Security Risk

There is a risk that an external third-party could gain unauthorised access to SNL's information technology systems for the purpose of financial gain, industrial espionage, sabotage or terrorism.

SNL has virus, spam and malware protection, an isolated environment for its business applications, firewalls and other network and data centre protection and an identity management system. As with all companies, these security measures are subject to third-party security breaches, employee error, malfeasance, faulty password management or other irregularities. For example, third parties may attempt to fraudulently induce employees or customers into disclosing user names, passwords or other sensitive information, which may, in turn, be used to access SNL's information technology systems.

SNL devotes significant resources to network security, data encryption and other security measures to protect its systems and data, but these security measures cannot provide absolute security. To the extent, SNL was to experience a breach of its systems and was unable to protect sensitive data, such a breach could negatively impact SNL's financial position.

Forward-Looking Statements

The Interim Financial Statements contain "forward-looking statements" based on information available to SNL on the date hereof, and SNL assumes no obligation to update any such forward-looking statement. These statements may be identified by the use of words like "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "project," "will," "should," "seek," and similar terms. The forward-looking statements reflect SNL's current views and assumptions and are subject to risks and uncertainties. SNL does not represent or warrant that actual future results, performance or achievements will be as discussed in those statements, and assumes no obligation to, and does not intend to, update any of those forward-looking statements other than as may be required by applicable law.

Condensed Consolidated Interim Financial Statements and Auditor's Review Report

For the Six Months Ended May 31, 2017

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

(UNAUDITED)

	Notes	Three months ended May 31, 2017	Three months ended May 31, 2016	Six months ended May 31, 2017	Six months ended May 31, 2016
		(in thousands, except per share data)			
Operating Revenue	4	**$ 500,847**	$ 478,882	**$ 976,498**	$ 942,841
Operating Expenses		**(334,843)**	(307,846)	**(647,613)**	(617,418)
Gross Margin		**166,004**	171,036	**328,885**	325,423
Depreciation and amortization		**(64,237)**	(57,890)	**(129,096)**	(117,951)
Gross Profit		**101,767**	113,146	**199,789**	207,472
Share of profit of joint ventures and associates		**4,411**	8,758	**8,377**	19,477
Administrative and general expenses		**(54,085)**	(52,303)	**(105,757)**	(100,848)
(Loss) gain on disposal of assets, net	6	**(623)**	(389)	**(2,667)**	2,072
Other operating income		**485**	419	**995**	626
Other operating expense		**(327)**	(356)	**(689)**	(1,731)
Operating Profit		**51,628**	69,275	**100,048**	127,068
Non-Operating Income (Expense):					
Finance expense		**(32,514)**	(26,845)	**(65,632)**	(53,552)
Finance income		**758**	595	**2,170**	1,192
Foreign currency exchange gain, net		**(1,271)**	(1,385)	**(519)**	(1,269)
Other non-operating income, net		**478**	382	**605**	2,090
Profit before Income Tax		**19,079**	42,022	**36,672**	75,529
Income tax		**(3,387)**	(4,062)	**(5,758)**	(7,184)
Net Profit		**$ 15,692**	$ 37,960	$ **30,914**	$ 68,345
***Attributable to*:**					
Equity holders of SNL		**15,572**	37,756	**30,759**	68,154
Non-controlling interests		**120**	204	**155**	191
		$ 15,692	$ 37,960	$ **30,914**	$ 68,345
Earnings per Share:					
Net profit attributable to SNL shareholders					
Basic		**$ 0.25**	$ 0.68	$ **0.50**	$ 1.24
Diluted		**$ 0.25**	$ 0.68	$ **0.50**	$ 1.24

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF

OTHER COMPREHENSIVE INCOME

(UNAUDITED)

	Three months ended		**Six months ended**	
	May 31, 2017	**May 31, 2016**	**May 31, 2017**	**May 31, 2016**
	(in thousands)			
Net profit for the period	**$ 15,692**	$ 37,960	$ 30,914	$ 68,345
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of post-employment benefit obligations	**(1,960)**	(14,125)	(1,960)	(14,125)
Deferred tax adjustment on post-employment benefit obligations	**1,500**	5,240	1,500	5,240
Items that may be reclassified subsequently to profit or loss:				
Net loss on cash flow hedges	**(13,139)**	(12,541)	(6,593)	(25,661)
Reclassification of cash flow hedges to income statement	**5,846**	26,689	3,954	35,455
Net (loss) income on cash flow hedges held by joint ventures and associates	**128**	488	1,786	4,020
Deferred tax adjustment on cash flow hedges	–	(3)	–	(3)
Exchange differences arising on translation of foreign operations	**18,492**	15,369	24,008	13,872
Deferred tax on translation of foreign operations	**1**	(140)	(346)	(684)
Exchange differences arising on translation of joint ventures and associates	**9,054**	4,874	10,865	1,974
Change in value of available-for-sale financial assets	**(9,413)**	(2,028)	(2,633)	(21,694)
Net income (loss) recognised as other comprehensive income	**10,509**	23,823	30,581	(1,606)
Total comprehensive income	**$ 26,201**	$ 61,783	$ 61,495	$ 66,739
Attributable to:				
Equity holders of SNL	**$ 26,081**	$ 61,579	**$ 61,340**	$ 66,548
Non-controlling interests	**120**	204	**155**	191
	$ 26,201	$ 61,783	**$ 61,495**	$ 66,739

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

(UNAUDITED)

	Notes	May 31, 2017	Nov 30, 2016
		(in thousands)	
ASSETS			
Current Assets:			
Cash and cash equivalents		**$ 121,557**	$ 92,784
Marketable securities		—	11,399
Restricted cash		**95**	87
Receivables		**228,930**	201,634
Inventories		**8,683**	5,940
Biological assets		**43,534**	44,027
Prepaid expenses		**65,953**	52,987
Derivative financial instruments	9	**2,966**	5,670
Income tax receivable		**7,694**	1,759
Assets held for sale	6	**1,089**	1,559
Other current assets		**43,018**	49,085
Total Current Assets		**523,519**	466,931
Property, plant and equipment	6	**3,363,412**	3,195,556
Investments in and advances to joint ventures and associates	7	**562,933**	536,654
Investments in equity instruments		**54,215**	56,848
Deferred tax assets		**14,294**	14,653
Intangible assets and goodwill	6	**49,592**	47,739
Employee benefit assets		**4,150**	3,796
Deposit for newbuildings	6	**21,885**	80,200
Derivative financial instruments	9	**1,086**	1,426
Other assets		**15,787**	17,415
Total Non-Current Assets		**4,087,354**	3,954,287
Total Assets		**$ 4,610,873**	$ 4,421,218
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Short-term bank loans	8	**$ —**	$ 8,100
Current maturities of long-term debt and finance leases	8	**427,178**	548,874
Accounts payable		**84,149**	71,732
Accrued voyage expenses		**52,083**	53,199
Accrued expenses		**175,748**	188,128
Provisions		**2,336**	2,292
Income tax payable		**7,889**	8,130
Dividend payable	5	—	27,550
Derivative financial instruments	9	**65,876**	18,001
Other current liabilities		**27,759**	26,703
Total Current Liabilities		**843,018**	952,709
Long-term debt and finance leases	8	**2,102,521**	1,796,251
Deferred tax liabilities		**67,978**	60,964
Employee benefit liabilities		**52,365**	49,634
Derivative financial instruments	9	**118,156**	167,639
Long-term provisions		**2,546**	3,575
Other liabilities		**7,477**	6,858
Total Non-Current Liabilities		**2,351,043**	2,084,921
Total Liabilities		**3,194,061**	3,037,630
Shareholder's Equity			
Founder's shares		**16**	16
Common shares		**64,134**	64,134
Paid-in surplus		**150,108**	150,108
Retained earnings		**1,469,378**	1,466,551
Other components of equity		**(218,261)**	(249,302)
		1,465,375	1,431,507
Less – Treasury shares	5	**(51,486)**	(51,486)
Equity Attributable to Equity Holders of SNL		**1,413,889**	1,380,021
Non-controlling interests		**2,923**	3,567
Total Shareholders' Equity		**1,416,812**	1,383,588
Total Liabilities and Shareholders' Equity		**$ 4,610,873**	$ 4,421,218

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 (a)**	**Hedging (a)**	**Fair Value (a)**	**Total**	**Non-Controlling Interests**	**Shareholders' Equity Total**
	(in thousands, except for share data)										
Balance, November 30, 2015	**$ 64,134**	**$ 16**	**$ 314,754**	**$ (214,416)**	**$ 1,416,395**	**$ (158,854)**	**$ (56,311)**	**$ (40,239)**	**$ 1,325,479**	**$ 3,757**	**$ 1,329,236**
Comprehensive income (loss)											
Net profit	—	—	—	—	68,154	—	—	—	68,154	191	68,345
Other comprehensive income (loss)											
Translation adjustments, net	—	—	—	—	—	15,162	—	—	15,162	—	15,162
Remeasurement of post-employment benefit obligations, net of tax	—	—	—	—	(8,885)	—	—	—	(8,885)	—	(8,885)
Net income on cash flow hedges	—	—	—	—	—	—	13,811	—	13,811	—	13,811
Fair value adjustment equity investments	—	—	—	—	—	—	—	(21,694)	(21,694)	—	(21,694)
Total other comprehensive (loss) income	—	—	—	—	(8,885)	15,162	13,811	(21,694)	(1,606)	—	(1,606)
Total comprehensive income (loss)	**—**	**—**	**—**	**—**	**59,269**	**15,162**	**13,811**	**(21,694)**	**66,548**	**191**	**66,739**
Transactions with shareholders											
Purchase of 167,000 Treasury shares	—	—	—	(1,716)	—	—	—	—	(1,716)	—	(1,716)
Cash dividend paid - $0.50 per Common shares	—	—	—	—	(27,473)	—	—	—	(27,473)	—	(27,473)
Total transactions with shareholders	**—**	**—**	**—**	(1,716)	(27,473)	**—**	**—**	**—**	(29,189)	**—**	(29,189)
Balance, May 31, 2016	**$ 64,134**	**$ 16**	**$ 314,754**	**$ (216,132)**	**$ 1,448,191**	**$ (143,692)**	**$ (42,500)**	**$ (61,933)**	**$ 1,362,838**	**$ 3,948**	**$ 1,366,786**
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	—	—	—	—	30,759	—	—	—	30,759	155	30,914
Other comprehensive income (loss)											
Translation adjustments, net	—	—	—	—	—	34,527	—	—	34,527	—	34,527
Net loss on cash flow hedges	—	—	—	—	—	—	(853)	—	(853)	—	(853)
Remeasurement of post-employment benefit obligations, net of tax	—	—	—	—	(460)	—	—	—	(460)	—	(460)
Fair value adjustment equity investments	—	—	—	—	—	—	—	(2,633)	(2,633)	—	(2,633)
Total other comprehensive income (loss)	—	—	—	—	(460)	34,527	(853)	(2,633)	30,581	—	30,581
Total comprehensive income (loss)					**30,299**	**34,527**	**(853)**	**(2,633)**	**61,340**	**155**	**61,495**
Transactions with shareholders											
Cash dividend paid -$0.50 per Common Shares	—	—	—	—	(27,472)	—	—	—	(27,472)	—	(27,472)
Acquisition of 20% of Shanghai Stolt Kingman	—	—	—	—	—	—	—	—	—	(799)	(799)
Total transactions with shareholders	**—**	**—**	**—**	**—**	(27,472)	**—**	**—**	**—**	(27,472)	(799)	(28,271)
Balance, May 31, 2017	**$ 64,134**	**$ 16**	**$ 150,108**	**$ (51,486)**	**$ 1,469,378**	**$ (138,261)**	**$ (30,831)**	**$ (49,169)**	**$ 1,413,889**	**$ 2,923**	**$ 1,416,812**

(a) Other components of equity on the balance sheet of $218.3 million and $248.1 million at May 31, 2017 and 2016, respectively, are composed of Foreign currency, Hedging and Fair value.

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

(UNAUDITED)

		For the six months ended	
	Notes	**May 31, 2017**	**May 31, 2016**
Cash generated from operations	3	**$ 227,012**	$ 217,344
Interest paid		**(60,587)**	(55,258)
Debt issuance costs		**(2,640)**	(1,059)
Interest received		**1,275**	555
Income taxes paid		**(4,802)**	(3,643)
Net cash generated by operating activities		**160,258**	157,939
Cash flows from investing activities:			
Capital expenditures	6	**(216,077)**	(94,044)
Purchase of intangible assets	6	**(2,074)**	(915)
Cash from sale of marketable securities		**11,507**	–
Deposit for newbuildings	6	**(7,295)**	(29,180)
Proceeds from sale of ships and other assets		**5,783**	17,273
Final payment on business acquisition		**(21,009)**	–
Investment in joint ventures and associates		**–**	(34)
Acquisition of non-controlling interest		**(1,311)**	–
(Advances to) repayments of advances to joint ventures and associates, net		**(11,613)**	4,529
Other, net		**(583)**	197
Net cash used in investing activities		**(242,672)**	(102,174)
Cash flows from financing activities:			
Decrease in short-term bank loans, net	8	**(8,100)**	–
Proceeds from issuance of long-term debt	8	**544,286**	219,923
Repayment of long-term debt	8	**(367,201)**	(144,558)
Finance lease payments		**(49)**	(41)
Purchase of treasury shares		**–**	(1,715)
Dividends paid	5	**(55,022)**	(55,095)
Net cash provided by financing activities		**113,914**	18,514
Effect of exchange rate changes on cash		**(2,727)**	433
Net increase in cash and cash equivalents		**28,773**	74,712
Cash and cash equivalents at beginning of the period		**92,784**	77,545
Cash and cash equivalents at end of the period		**$ 121,557**	$ 152,257

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”) 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 consolidated interim financial statements should be reviewed in conjunction with the final audited Consolidated Financial Statements for the year ended November 30, 2016, 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, 2016, with the exception of income taxes which for the purpose of interim 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 Six Months Ended	
	May 31, 2017	**May 31, 2016**
	(in thousands)	
Net profit	**$ 30,914**	$ 68,345
Adjustments to reconcile net profit to net cash from operating activities:		
Depreciation of property, plant and equipment	**127,579**	116,420
Amortisation of intangible assets	**1,517**	1,531
Finance expense and income	**63,462**	52,360
Net periodic benefit costs of defined benefit pension plans	**1,601**	1,550
Income tax expenses	**5,758**	7,184
Share of profit of joint ventures and associates	**(8,377)**	(19,477)
Fair value adjustment on biological assets	**1,820**	(6,417)
Foreign currency related loss	**519**	1,269
Bunker hedge loss (gain)	**3,183**	(4,449)
Loss (gain) on disposal of assets, net	**2,667**	(2,072)
Changes in assets and liabilities, net of effect of acquisitions and divestitures:		
Increase in receivables	**(25,943)**	(10,471)
Increase in inventories	**(2,727)**	(2,003)
Decrease in biological assets	**399**	2,150
(Increase) decrease in prepaid expenses and other current assets	**(5,241)**	6,287
Increase (decrease) in accounts payable and other current liabilities	**20,867**	(9,428)
Contributions to defined benefit pension plans	**(1,253)**	(1,331)
Dividends from joint ventures and associates	**7,122**	13,293
Other, net	**3,145**	2,603
Cash generated from operations	**$ 227,012**	$ 217,344

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, 2016.

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

	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Corporate and Other (a)	Total
For the three months ended May 31, 2017						
Operating revenue	$ 292,561	$ 60,683	$ 129,625	$ 15,281	$ 2,697	$ 500,847
Depreciation and amortisation including drydocking	(41,760)	(13,402)	(6,016)	(1,466)	(1,593)	(64,237)
Share of profit of joint ventures and associates	2,072	5,012	17	—	(2,690)	4,411
Operating profit (loss)	27,632	16,066	13,728	2,371	(8,169)	51,628
Capital expenditures (b)	59,900	24,804	1,957	792	1,184	88,637
For the six months ended May 31, 2017						
Operating revenue	575,974	120,427	243,242	30,927	5,928	976,498
Depreciation, amortisation and impairment, including drydocking	(83,743)	(26,544)	(13,354)	(2,583)	(2,872)	(129,096)
Share of profit of joint ventures and associates	3,588	9,511	487	—	(5,209)	8,377
Operating profit (loss)	56,102	32,732	22,686	1,136	(12,608)	100,048
Capital expenditures (b)	172,870	42,491	5,568	1,180	2,177	224,286
As of May 31, 2017						
Investments in and advances to joint ventures and associates	233,355	230,151	18,830	—	80,597	562,933
Segment assets	2,448,957	1,244,581	537,539	128,309	251,487	4,610,873

	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Corporate and Other (a)	Total
For the three months ended May 31, 2016						
Operating revenue	$ 270,542	$ 59,860	$ 123,802	$ 15,051	$ 9,627	$ 478,882
Depreciation, amortisation and impairment, including drydocking	(35,251)	(13,971)	(6,008)	(1,187)	(1,473)	(57,890)
Share of profit of joint ventures and associates	4,009	5,285	(10)	—	(526)	8,758
Operating profit (loss)	45,295	13,763	10,673	3,449	(3,905)	69,275
Capital expenditures (b)	16,212	29,168	7,054	904	2,703	56,041
For the six months ended May 31, 2016						
Operating revenue	535,041	114,181	239,746	32,512	21,361	942,841
Depreciation, amortisation and impairment, including drydocking	(73,315)	(27,427)	(11,735)	(2,651)	(2,823)	(117,951)
Share of profit of joint ventures and associates	7,417	9,834	691	—	1,535	19,477
Operating profit (loss)	76,531	24,256	22,425	8,916	(5,060)	127,068
Capital expenditures (b)	47,177	50,703	14,786	1,900	7,111	121,677
As of November 30, 2016						
Investments in and advances to joint ventures and associates	259,664	213,024	15,850	—	48,116	536,654
Segment assets	2,329,564	1,186,351	529,306	122,989	253,008	4,421,218

(a) Corporate and Others 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 May 31, 2017, and November 30, 2016, there were 64,133,796 Common shares and 16,033,449 Founder's shares issued, of which 61,944,855 Common shares and 15,486,214 Founder's shares were outstanding.

Treasury Shares

The Group did not issue Treasury shares for the six months ended May 31, 2017 and 2016 respectively, since there were no employee share options.

Dividends

On February 08, 2017, the Group's Board of Directors recommended a final dividend for 2016 of $0.50 per Common Share, payable to shareholders of record as of April 27, 2017. The dividend, which was subject to shareholder approval, was approved at the Company's Annual General Meeting of shareholders on April 20, 2017 in Bermuda. The total gross amount of the dividend was $27.5 million and paid on May 11, 2017.

On December 8, 2016, the Group paid interim dividends for a gross amount of $27.5 million. The Group's Board of Directors had declared the dividend of $0.50 per Common share and $0.005 per Founder's share on November 11, 2016 for Shareholders of record as of November 23, 2016.

6. Property, Plant and Equipment and Intangible Assets

During the three months ended May 31, 2017, the Group spent $89.4 million on property, plant and equipment. Cash spent during the quarter primarily reflected (a) $52.3 million for the final payment for the newbuilding, the *Stolt Tenacity*, (b) $26.7 million on terminal capital expenditures, (c) $2.4 million on the acquisition of tank containers and construction at depots and (d) $9.9 million on drydocking of ships. Interest of $2.5 million was capitalised on the new construction of terminals and tanker newbuildings.

During the six months ended May 31, 2017, the Group spent $216.1 million on property, plant and equipment. Cash spent during the period primarily reflected (a) $149.8 million for the final payments for the newbuildings, *Stolt Sincerity*, *Stolt Integrit*y and *Stolt Tenacity*, (b) $42.6 million on terminal capital expenditures, (c) $5.3 million on the acquisition of tank containers and construction at depots and (d) $15.3 million on drydocking of ships. Interest of $3.8 million was capitalised on the new construction of terminals and on tanker newbuildings.

For the six months ended May 31, 2017, the Group paid an additional $7.3 million for newbuilding deposits. On December 22, 2016, the Group took delivery of *Stolt Sincerity*, on February 24, 2017, the *Stolt Integrity* and on May 26, 2017, the *Stolt Tenacity*, the second, third and fourth of five 38,000 dwt fully stainless steel newbuildings from Hudong-Zhonghua Shipbuilding (Group) Co., Ltd. in China. Upon the ships' deliveries, $65.7 million of previous deposits was transferred to property, plant and equipment.

For the six months ended May 31,2017 the depreciation expenses were $129.1 million.

In April 2017, a final payment of $21.0 million was made to J.O. Invest related to the November 23, 2016 acquisition of its chemical tanker operations. Final goodwill from the acquisition was $5.2 million.

Of the total net loss on sale of assets, a $2.5 million loss related to the sale of *Stolt Hill* for recycling. The *Stolt Kite* has been classified as a held for sale asset at May 31, 2017.

During the six months ended May 31, 2017, the Group spent $2.1 million on intangible assets, mainly on computer software. Revaluation for foreign exchange differences for goodwill and other intangibles amounted to a gain of $1.2 million in the same period.

7. Investment in Joint Ventures and Associates

Gulf Stolt Tankers DMCCO ("GST") has a bank loan secured by its four ships, where as of May 31, 2017 an amount of $67.2 million plus interest was still outstanding. This loan originally matured and fell due for repayment on May 31, 2016. However, GST extended the due date of a loan by entering into an extension agreement with the banks on June 1, 2016. Following ongoing discussions with the banks, the extension agreement has been extended numerous times to allow GST to pursue alternatives for repaying the loan. On June 12, 2017, subsequent to quarter-end, GST signed a Reservation of Rights and Forbearance Agreement with the banks, in which it undertook to sell its four ships to the shareholders, Stolt-Nielsen Indian Ocean and Middle East Service Ltd and Gulf Navigation Holdings PJSC. Subsequently, on June 21, 2017, GST concluded the sale of the first two of the four ships, *Stolt Sisto* and *Stolt Gulf Mishref*, to Stolt-Nielsen Indian Ocean and Middle East Service Ltd and Gulf Navigation Holdings PJSC, respectively. The sale was done at current book value of the ships on the transaction date, and the consideration was settled partly in cash sufficient to pay off the mortgage on each ship and partly in form of a promissory note payable by each shareholder to GST. It is expected that the last two ships will be sold to the shareholders, or nominees, within July, at which time the final amount outstanding under the bank facility will be repaid. Until such repayment is completed, the joint venture is considered to be in breach of its banking covenants. This breach has no bearing on the Group's covenant compliance.

8. 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 May 31, 2017 and November 30, 2016 for the revolving credit facility.

As of May 31, 2017, the Group had available committed short-term credit lines of $246.5 million. Long-term debt consists of debt collateralized by mortgages on the Group's ships, tank containers, terminals and investments, as well as $557.0 million unsecured bond financing at May 31, 2017.

	Cashflows For the Six Months Ended	
	May 31, 2017	**May 31, 2016**
	(in thousands)	
Bank loan additions (repayments), net	$ (8,100)	$ —
Proceeds from issuance of long-term debt	544,286	219,923
Repayment of long-term debt	(367,201)	(144,558)

In the six months ended May 31, 2017, the Group drew down $149.7 million from the $200.0 million term loan facility closed in November 2016 in connection with the acquisition of Jo Chemical Tankers A.S. and subsidiaries ("JoT"). The proceeds were used to extinguish $146.1 million of long-term debt assumed with the JoT acquisition.

With the delivery of the three newbuildings from China in the first six months, the Group drew down $161.1 million on its second and third and fourth tranches under the $291.8 million term loan with Export and Import Bank of China and Standard Chartered Bank.

On May 30, 2017, the existing Stolthaven Singapore terminal loan facility was successfully refinanced by a seven-year SGD280.0 million ($202.4 million) secured amortising term loan facility with a syndicated group of banks consisting of United Overseas Bank Limited, DBS Bank Ltd, Oversea-Chinese Banking Corporation Limited, and Australia and New Zealand Banking Group Limited. The remaining balance was swapped into USD.

The Group had a slightly higher balance on its revolving credit facility of $357.0 million for the six months ended May 31, 2017 compared to $340.0 as at November 30, 2016.

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 July 6, 2017.

9. Fair Value Measurements for Financial Assets and Liabilities

All financial assets and financial liabilities, other than derivatives, are initially recognised at the fair value of consideration paid or received, net of transaction costs as appropriate, and subsequently carried at fair value or amortised cost, as indicated in the tables below. Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured at their fair value.

The Group measures fair values using the fair value hierarchy which reflects the significance of inputs used in making the measurements:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Group’s investment in Golar LNG Limited and its marketable securities are measured using quoted prices in an active market (Level 1), while derivative financial instruments are measured using inputs other than quoted values (Level 2). There have been no changes in the fair value methodology since November 30, 2016.

Fair value of financial instruments

The following estimated fair value amounts of financial instruments 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:

	May 31, 2017		November 30, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Amortised Cost):				
Cash and cash equivalents	$ 121,557	$ 121,557	$ 92,784	$ 92,784
Restricted cash	95	95	87	87
Receivables	228,930	228,930	201,634	201,634
Other current assets	43,018	43,018	49,085	49,085
Financial Assets (Fair Value):				
Marketable securities	—	—	11,399	11,399
Equity instruments	54,215	54,215	56,848	56,848
Financial Liabilities (Amortised Cost):				
Accounts payables (excluding withholding and value added tax)	78,907	78,907	66,236	66,236
Accrued expenses	227,831	227,831	241,327	241,327
Dividend payable	—	—	27,550	27,550
Short term bank loans	—	—	8,100	8,100
Long-term debt and finance leases including current maturities (excluding debt issuance costs)	2,564,782	2,655,794	2,381,293	2,480,148
Derivative Financial Instruments (Fair Value):				
Assets				
Bunker swaps	2,565	2,565	5,040	5,040
Bunker call options	512	512	1,220	1,220
Foreign currency exchange contracts	16	16	489	489
Interest rate swaps	879	879	—	—
Cross-currency interest rate swaps	80	80	347	347
	$ 4,052	**$ 4,052**	**$ 7,096**	**$ 7,096**
Liabilities				
Foreign exchange forward contracts liabilities	—	—	(338)	$ (338)
Interest rate swap	(15,303)	(15,303)	(6,524)	(6,524)
Cross-currency interest rate swap liabilities	(168,729)	(168,729)	(178,778)	(178,778)
	$ (184,032)	**$ (184,032)**	**$ (185,640)**	**$ (185,640)**

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 the short maturity thereof. The estimated value of the Group's financial assets and marketable securities is 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 May 31, 2017 and November 30, 2016, 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 May 31, 2017 and November 30, 2016, 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 May 31, 2017 and November 30, 2016.

Long-term debt in the table above excludes debt issuance costs of $35.1 million and $36.2 million, respectively, and future finance charges on finance leases of approximately $0.1 million as of May 31, 2017 and November 30, 2016.

Derivatives

The Group has derivative assets of $4.1 million and $7.1 million as of May 31, 2017 and November 30, 2016, respectively and derivative liabilities of $184.0 million and $185.6 million as of May 31, 2017 and November 30, 2016, 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 May 31, 2017 and November 30, 2016, respectively. There were no changes in the valuation techniques during the period.

The Group has purchased forward contracts on 92,000 tons of bunkers fuel for delivery in 2016 and 87,000 tons in 2017 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 $0.2 million was recorded for the six months ended May 31, 2017.

10. Commitments and Contingencies

As of May 31, 2017 and November 30, 2016, the Group had total capital expenditure purchase commitments outstanding of approximately $180.4 million and $246.6 million, respectively. At May 31, 2017, the total purchase commitments consisted of one newbuilding contract for tankers, two newbuildings for 7,500 cbm LNG carriers, new and existing terminal expansion projects and other smaller projects. Of the total May 31, 2017 purchase commitments, $107.0 million is expected to be paid over the next 12 months, $52.6 million of that amount has financing in place. The remaining $54.4 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 Group has options to purchase three similar ships for approximately $80.0 million, including site team costs and capitalised interest.

Environmental

Environmental disclosures are described in Note 26 of the Consolidated Financial Statements for the year ended November 30, 2016. There have been no significant changes that have occurred since that time.

Joint Venture and Associate Purchase Commitments

The Group's joint ventures and associates had an additional $242.4 million of purchase commitments, which are non-recourse to the Group at May 31, 2017. These commitments primarily relate to $210.0 million for seven parcel tankers at three joint ventures and $31.7 million for terminal capital projects.

As a part of the acquisition of JoT, the Group acquired a 50% interest in Hassel 4 which had previously ordered eight newbuildings from New Times Shipbuilding Co. Ltd. Two newbuildings were delivered prior to acquisition. In the six months ended May 31, 2017 the joint venture has taken delivery of two ships: *Stolt Lerk* was delivered on February 22, 2017 and *Stolt Lind* was delivered on March 15, 2017. In addition, *Stolt Calluna* was delivered on June 16, 2017. Two of the remaining three ships ordered by Hassel 4 are expected to be delivered in 2017 and the last one is expected in January 2018.

11. 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 is 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, 2016. There have been no significant changes to any ongoing legal proceedings since that time 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.

12. 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 by the seasonality inherent in their key customers' businesses. Stolt Tanker's results can be negatively affected in the winter months, 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.

13. Related Party Transactions

The Group continues to transact with related parties as in prior years. Since the year end, there were no new types related party transactions nor new related parties identified.

14. Subsequent Events

On June 2, 2017, the Group drew down $14.8 million from the $200.0 million term loan facility closed in November 2016 in connection with the acquisition of Jo Chemical Tankers A.S. and subsidiaries ("JoT").

On June 8, 2017 and June 21, 2017, the Group purchased bunker forward contracts totaling 168,000 tons of bunker fuel to be delivered from the third quarter of 2017 to 2019.

On June 21, 2017, GST sold the *Stolt Sisco* to the Group and the *Gulf Stolt Mishref* to Gulf Navigation (refer to Note 7).

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, 2016 to May 31, 2017 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 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
July 6, 2017

Signed for and on behalf of the Board of Directors

Niels G. Stolt-Nielsen
Chief Executive Officer

Jan Chr. Engelhardtsen
Chief Financial Officer

Independent review report to Stolt-Nielsen Limited

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed the condensed consolidated interim financial statements, defined below, of Stolt-Nielsen Limited for the three months and six months ended 31 May 2017. Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Norwegian Securities Trading Act.

This conclusion is to be read in the context of what we say in the remainder of this report.

What we have reviewed

The condensed consolidated interim financial statements, which are prepared by Stolt-Nielsen Limited, comprise:

- the condensed consolidated interim balance sheet as at 31 May 2017;
- the condensed consolidated interim income statement and condensed consolidated interim statement of other comprehensive income for the three months and six months period then ended;
- the condensed consolidated interim statement of cash flows for the six months period then ended;
- the condensed consolidated interim statement of changes in shareholder's equity for the six months period then ended; and
- the explanatory notes to the condensed consolidated interim financial statements.

As disclosed in note 1, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Norwegian Securities Trading Act.

What a review of condensed consolidated interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, 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 (UK) 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.

We have read the other information contained in the document which contains the condensed consolidated interim financial statements and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial statements.

Responsibilities for the condensed consolidated interim financial statements and the review

Our responsibilities and those of the directors

The document which contains the condensed consolidated interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the condensed consolidated interim financial statements in accordance with the Norwegian Securities Trading Act.

Our responsibility is to express to the Company a conclusion on the condensed consolidated interim financial statements based on our review. This report, including the conclusion, has been prepared upon request by the Company for and only for the Company for the purpose of reviewing whether the interim financial statements comply with the Norwegian Securities Trading Act and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants

6 July 2017

London