STOLT-NIELSEN LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Six Months Ended May 31, 2016

STOLT-NIELSEN LIMITED

TABLE OF CONTENTS

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, 2016 and 2015 is summarised below. The financial statements are presented in U.S. dollars.

	For the Six Months Ended	
	May 31, 2016	**May 31, 2015**
	(in thousands, except per share)	
Operating revenue	**$ 942,841**	$ **988,414**
Gross profit	**207,472**	**197,786**
Operating profit	**127,068**	**142,812**
Net profit	**68,345**	**81,615**
Net profit attributable to SNL shareholders	**68,154**	**81,221**
EPS attributable to SNL shareholders – diluted	**1.24**	**1.44**

Net profit attributable to SNL shareholders was $68.2 million for the first half of 2016, down from $81.2 million for the first half of 2015.

	For the Six Months Ended	
	May 31, 2016	**May 31, 2015**
	(in thousands)	
Net profit before one-time and non-recurring items	$ **69,664**	$ 62,170
Non-recurring items:		
U.S. benefit plan curtailment gain	—	19,813
Additional write-down of a joint venture investment and advance	**(1,319)**	—
Gain on sale of Avance Gas Holding Ltd ("AGHL") shares	—	3,032
Tax effect of above	—	(3,400)
Net Profit	$ **68,345**	$ 81,615

Excluding these non-recurring items, net profit increased by $7.5 million between the two periods, primarily as a result of higher operating profits at Stolt Tankers and Stolt Sea Farm.

	For the Six Months Ended	
	May 31, 2016	**May 31, 2015**
	(in thousands)	
Operating revenue:		
Stolt Tankers	**$ 535,041**	$ **563,505**
Stolthaven Terminals	**114,181**	**111,222**
Stolt Tank Containers	**239,746**	**257,367**
Stolt Sea Farm	**32,512**	**28,146**
Corporate and Other	**21,361**	**28,174**
Total	**$ 942,841**	$ **988,414**
Operating profit (loss):		
Stolt Tankers	**$ 76,531**	$ **49,363**
Stolthaven Terminals	**24,256**	**29,916**
Stolt Tank Containers	**22,425**	**34,615**
Stolt Sea Farm	**8,916**	**4,959**
Corporate and Other	**(5,060)**	**23,959**
Total	**$ 127,068**	$ **142,812**

Operating Profit

The main differences in operating profit for the first six months of 2016, compared with the first six months of 2015, were:

- Stolt Tankers reported an operating profit of $76.5 million versus an operating profit of $49.4 million, or an increase of $27.1 million. This improvement was the result of lower bunker costs, which net of bunker surcharge revenue were down $36.0 million, $5.0 million lower time-charter hire and a gain on bunker hedges of $4.4 million. This was partially offset by lower freight revenues, following a temporarily reduced fleet and higher depreciation.
- Stolthaven Terminals reported an operating profit of $24.3 million versus $29.9 million. The lower operating profit was the result of a combination of higher operating costs in Houston, accelerated depreciation in New Zealand and lower equity income in Lingang Terminal due to the temporary suspension of its operating permits after the August 2015 explosion at the Port of Tianjin.
- Stolt Tank Containers reported an operating profit of $22.4 million, down from $34.6 million, a decrease of $12.2 million. This was due to aggressive price competition and continued sluggish economic conditions amid a highly competitive market. Higher administrative and general expenses also impacted operating profit. This was partially offset by reduced freight costs.
- Stolt Sea Farm reported an operating profit of $8.9 million, compared with an operating profit of $5.0 million. The favourable fair-value adjustment recognised in the six months ended May 31, 2016 caused a $6.4 million increase in profit, compared with a $3.5 million increase in the six months ended May 31, 2015. The 2016 favourable fair-value adjustment was due to higher turbot prices.
- Corporate and Other reported an operating loss of $5.1 million, versus operating profit of $24.0 million. The six months ended May 31, 2015 included a one-time gain of $19.8 million from the curtailment of SNL's U.S. defined benefit pension plan and a $3.0 million gain on the sale of 2.5 million AGHL shares.

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 decreased to $535.0 million in the six months ended May 31, 2016 from $563.5 million in the same period in 2015. Deep-sea revenues decreased by $30.9 million over the period while regional revenues increased by $2.4 million. The reduction in deep-sea revenues was primarily due to lower bunker-surcharge revenue as a direct result of lower bunker costs, which are discussed below. In the first half of 2016, the reimbursement to customers from bunker rebates was $38.3 million while it was a reimbursement of $20.0 million in the first half of 2015. In addition, freight revenues in the first half of 2016 were $18.0 million or 4% lower, reflecting a 5.6% decrease in operating days. This was the result of the recycling of four ships, more dry-docking of time chartered ships and major repairs of two ships during the first quarter of 2016. Partially offsetting the decrease in operating days was an improvement in utilisation of 2.7%, resulting in a net decrease in volume of 3.0%. Of total volume, cargo carried under Contracts of Affreightment ("COA") increased by 13%, due to the acid trade and to more cargo being carried out of Brazil, while spot cargo decreased by 36%. Average freight rates remained at the same level, with average COA rates decreasing by 1.9% and average spot rates increasing by 5.5%. An increase in regional fleet revenues of $2.4 million was primarily caused by the acquisition of three ships for the European coastal fleet in the summer of 2015.

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 2016 was 0.79, compared with 0.69 for the same period in 2015.

Stolt Tankers reported an operating profit of $76.5 million for the six months ended May 31, 2016 versus an operating profit of $49.4 million for the same period in 2015, or an increase of $27.1 million. This improvement was the result of lower trading expenses, in particular bunker costs, but also time charter expense and port disbursements. The decrease in expenses was partly offset by the aforementioned reduction in revenues, as well as higher ship owning expenses.

Bunker expenses decreased by $56.2 million during the first six months of 2016, compared with the same period in 2015. The average price of Intermediate Fuel Oil consumed during the six months ended May 31, 2016 was $184 per ton, or 51% less than the level of $372 per ton during the same period in 2015. In addition, external time charter costs decreased due the acquisition of three formerly bare-boated ships in the European coastal fleet during September 2015 and scheduled dry dockings, while port disbursements were lower due to fewer port calls and Suez and Panama transits.

Ship-owning expenses increased by $12.0 million between the periods, primarily due to increased depreciation related to the impact on residual values of low steel prices on ships to be recycled in 2016.

Joint venture income increased by $1.0 million for the six months ended May 31, 2016 versus 2015. The income from SNL's joint venture with Gulf Navigation increased relative to the same period of 2015, when three out of its four ships were in drydock. This was partly offset by a decrease in the income from the joint venture with NYK due to the recycling of one of its ships in early 2016.

Stolthaven Terminals

Stolthaven revenues for the first half of 2016 increased by $3.0 million to $114.2 million from $111.2 million in the first half of 2015. The higher operating revenue was driven by capacity expansion and higher utilisation rate. During the second half of 2015 and first half of 2016, new capacity was commissioned in Singapore, Dagenham, U.K. and Newcastle, Australia, while the utilisation rate increased to 89.0% in the first half of 2016 versus 86.9% in the first half of 2015. The increase in utilisation was a result of new business in New Orleans, Santos and Singapore.

Stolthaven's first-half operating profit decreased by $5.6 million, to $24.3 million from $29.9 million in the same period in 2015. The decrease in operating profit and margin was the result of a combination of lower ancillary services and higher operating costs in Houston, accelerated depreciation due to the lower likelihood of renewing expiring land lease contracts in Gabador, New Zealand and lower equity income from the terminal joint ventures in Lingang because due to the temporary suspension of their operating permits. The impact of the aforementioned was partly offset by higher operating profit in Singapore from the higher utilisation rate.

Stolt Tank Containers

Stolt Tank Containers' revenues were $239.7 million in the first half of 2016, compared with $257.4 million in the first half of 2015, reflecting a decrease in freight rates from increased competition, combined with reduced freight revenue as a result of lower pass-through expenses. Operating revenues were further impacted by a decrease in demurrage revenue and revenue from services at Stolt-owned depots. Shipments increased by 6.2% as activity in some markets began to recover despite the continued soft market conditions.

Stolt Tank Containers' operating profit decreased by $12.2 million, as the operating margin decreased to 9.4% in the first half of 2016, compared with 13.4% in the first half of 2015. The operating margin declined primarily due to lower freight rates as a result of aggressive price competition combined with lower demurrage revenue and higher administrative and general expenses.

Stolt Sea Farm

Stolt Sea Farm's revenues increased by $4.4 million in the first half of 2016, compared with the first half of 2015, due to a 10% increase in turbot volumes and a 6% increase in turbot market rates. Sole volumes rose by 25% as the Iceland farm began to market its production in March 2015, while sole prices increased by 9%. Caviar volumes increased by 6% from the first half of 2015, with no change in average prices.

Stolt Sea Farm's operating profit was $8.9 million, up from $5.0 million due to the stronger prices in the turbot market at the end of the period, which resulted in the $6.4 million positive fair value adjustment in the first half of 2016, compared with $3.5 million positive fair value adjustment during the same period in 2015. Excluding the fair value adjustment, operating profit increased by $1.0 million as a result of stronger turbot volumes and prices.

Corporate and Other

Corporate and Other includes Bitumen, SNL's investment in AGHL, Golar LNG Limited ("Golar") and Stolt LNGaz and corporate charges, such as profit sharing and long-term incentive plan costs, that are not allocated to the businesses.

Corporate and Other reported an operating loss of $5.1 million for the six months ended May 31, 2016, compared with $24.0 million operating profit for the six months ended May 31, 2015. Included in the operating loss for the first half of 2016 was a $1.3 million additional write-down of a joint venture advance. Included in operating profit for the six months ended May 31, 2015 was a one-time gain of $19.8 million from the curtailment of SNL's U.S. defined benefit pension plan and a $3.0 million gain on sale of 2.5 million of AGHL shares mentioned above.

Excluding these transactions, Corporate and Other had an operating loss of $3.8 million for the first six months of 2016 versus $1.2 million of income for the same period of 2015. The decrease was primarily due to lower equity income between the periods of $3.5 million, as LPG market conditions deteriorated between the two periods and lower Bitumen results.

Liquidity and Capital Resources

During the six months ended May 31, 2016, SNL met its liquidity needs through a combination of cash generated from operations, collateralised borrowings, commercial borrowings and sales of assets. SNL generated $157.9 million of cash from operating activities during the first six months of 2016, which, along with a $75.4 million net increase in short-term and long-term loans and $17.3 million of proceeds from the sale of assets, was used for capital expenditures and the acquisition of intangible assets of $95.0 million, treasury stock purchases of $1.7 million and payment of dividends of $55.1 million. As of May 31, 2016, the Group had cash of $152.3 million and available committed short-term credit lines of $417.1 million.

Proceeds from the issuance of debt for the six months ended May 31, 2016 were $219.9 million. On May 20, 2016, the Group entered into a $131.3 million fixed-rate borrowing agreement using a group of tank containers as collateral. The agreement is with ING Bank N.V., Development Bank of Japan and a group of private investors for six and a half years at a fixed rate of 3.7%. In addition, the Group received the first part of draw down ($65.2 million of $85.0 million) on its top-off facility with Danish Ship Finance A/S on May 31, 2016, with the remaining $19.8 million drawn on June 1, 2016.

In the six months ended May 31, 2016, the Group drew down $10.6 million (SGD 15 million) on a facility to finance the expansion on the Singapore terminal and $10.8 million on a facility with ANZ bank.

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 2016 benefited from weak bunker prices and strong exports from the U.S. Gulf to Asia and Europe, based on competitive U.S. feedstock pricing. Total volume shipped by Stolt Tankers returned to normal in the last three months, as two ships with extended off-hire in the first quarter returned to service. COA volumes increased by 13% from the same period last year, mostly from nominations under existing COAs, with COA cargoes making up 79% of volume during the same period. The average net COA rate declined by 2% as COA renewal increases were offset by more shipments of higher-volume lower-rate commodity cargoes and an increase in bunker-related rebates. The average spot rate increased by 6% as tight space availability restricted bookings to only higher-rate small parcels. The recycling program for end-of-life tonnage continued, with four deep-sea ships removed from service by the end of May 2016. Replacement newbuildings from China were delayed, with the first – *Stolt Pride* – now due for delivery in July.

Stolt Tankers' outlook on market fundamentals remains unchanged. Global spot freight indices have been declining since the beginning of the year as owners have had to give back some of the benefit of lower fuel prices. In the U.S., the one strong export region, increases in export volumes drove up spot rates from U.S. Gulf to Asia and Europe in the first quarter. While rates out of the U.S. Gulf remain strong, that peak has definitely passed. Spot rates from other regions (Europe, Arabian Gulf, Asia) have declined since mid-2015, with rates from Asia to U.S. and Europe being particularly hard hit as the many ships benefiting from strong U.S. exports have had to compete for return cargoes. The Clean Petroleum market has declined, and Medium Range ships – able to "swing" into the commodity end of the chemical trade – saw spot earnings fall from a high of $30,000 per day in July 2015 to the $10-11,000 per day range today, increasing competition for simple commodity cargoes. Continuing deliveries from a still-high chemical tanker order book remain on the horizon and are expected to limit positive rate developments. Further strong growth in U.S. exports could soak up this additional tonnage, though this scenario is highly dependent on substantially increased shipments from the U.S. to China, an uncertain outcome in today's challenging economy.

Stolthaven Terminals

In the first half of 2016, Stolthaven Terminals continued to focus on its global expansion program and margin improvements. New capacity was commissioned at its fully owned terminals at Newcastle and Singapore. Compared with the level at the beginning of 2016, capacity increased by 60,000 cbm.

Stolthaven Terminals' strategy is to focus on selective expansion and improvement of its service to its customers. 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 expansion projects in Singapore, Dagenham and Moerdijk, which will result in approximately 65,000 cbm of additional storage capacity. In the next six months, Singapore's storage capacity will be expanded by 21,000 cbm and Moerdijk's storage capacity will be expanded by 16,000 cbm. New capacity is also currently under construction at Dagenham (28,000 cbm) which will be commissioned within the next 12 months.

Stolt Tank Containers

Stolt Tank Containers experienced increased demand for its services during the first half of 2016, compared with the same period in 2015. During this period the size of the fleet did not change materially as the delivery of new tank containers in 2015 and 2016 were offset by the redelivery of leased tank containers and the retirement of older owned units. Revenue per shipment decreased due to increased competition and lower freight costs. Volume is expected to increase gradually in the second half of 2016 as demand for tank containers is expected to improve in major markets worldwide.

Stolt Tank Containers continues to monitor the size and cost of its leased fleet of tank containers, as well as the balance of owned-versus-leased units. Approximately 300 leased units were off-hired in the first six months of 2016. At the same time, Stolt Tank Containers took delivery of approximately 360 new tank containers and retired approximately 600 older tank containers. Stolt Tank Containers is expecting to take delivery of 200 additional new tanks between now and September 2016.

Margins are projected to remain under pressure due to the highly competitive market and an overall increase in the supply of tank containers.

Stolt Sea Farm

The first half of 2016 for Stolt Sea Farm saw a progressive improvement in turbot market prices due to improved supply balance in the market. Sole prices have improved due to a better size mix where bigger sizes have been produced. Prices are expected to remain at quarter-end levels for the remainder of the year and the Iceland farm is expected to reach full production by the end of the year. Caviar prices are expected to increase due to the favourable quality achieved during the latest caviar harvest.

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 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 succeeded in reducing the impact of price increases through bunker fuel adjustment clauses with customers, a significant portion of increased fuel costs is incurred solely by Stolt Tankers. Approximately 79% of Stolt Tanker's total volume in the first six months of 2016 was derived from COA. During that same time period, approximately 98% 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 23% of Stolt Tanker 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 falling, such as in the six months ended May 31, 2016, use of bunker fuel adjustment clauses result in Stolt Tankers reimbursing customers for fuel prices below rates agreed upon in the individual COA.

In 2016, Stolt Tankers entered into a bunker hedging programme; the objective is to hedge 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 effect 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 carries. 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 and utilises various tools to increase fleet flexibility and reduce risk. COA business tends to be less volatile 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 they will be completed on time or at all. SNL has five newbuilding contracts in place with deliveries expected to take place from the third quarter of 2016 onwards and may order additional newbuildings in the future. SNL is typically required to pay substantial amounts as progress payments during construction of a newbuilding, but does not derive any revenue from the ship until after its delivery. SNL's receipt of newbuildings could 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;
- A backlog of orders at the shipyard;
- SNL requests for changes to the original ship specifications; 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 industry standard 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. A permit to resume full operations at the terminal is expected before the end of 2016.

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.

Terminal Projects Risk

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 the seasonality, competition, market conditions and existing supply. The fair value adjustment recognised in the six months ended May 31, 2016 was a $6.4 million increase in profit, compared with a $3.5 million in the six months ended May 31, 2015. 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 liquid petroleum gas and in Golar LNG Ltd. ("Golar") which operates liquid natural gas carriers. SNL is also looking at developing opportunities for the distribution of LNG to off-the-grid customers. 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 last six months. 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 and Golar, 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 investments 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, Australian dollar 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.

On average, in the first six months of 2016, the U.S. dollar weakened by approximately 5% against the euro. The risk of depreciation of currency is partially mitigated through the foreign currency hedging programme. SNL's policy is to hedge approximately 50% to 80% of expected future foreign currency exposure and 100% of the future committed capital expenditures denominated in foreign currencies.

Although SNL is not expected to be significantly impacted by the recent 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 will typically be good for the Company. Any negative impact on global trade due to Brexit could be negative for the Company.

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, 2016

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

(UNAUDITED)

	Three months ended		Six months ended	
	May 31, 2016	May 31, 2015	May 31, 2016	May 31, 2015
		(in thousands, except per share data)		
Operating Revenue (Note 4)	**$ 478,882**	$ 500,710	$ 942,841	$ 988,414
Operating Expenses	**(307,846)**	(342,263)	(617,418)	(688,638)
Gross Margin	**171,036**	158,447	325,423	299,776
Depreciation and amortization	**(57,890)**	(51,986)	(117,951)	(101,990)
Gross Profit	**113,146**	106,461	207,472	197,786
Share of profit of joint ventures and associates	**8,758**	13,159	19,477	25,088
Administrative and general expenses	**(52,303)**	(49,198)	(100,848)	(100,712)
U.S. pension curtailment gain (Note 13)	—	—	—	19,813
Restructuring expenses	—	(731)	—	(731)
(Loss) gain on disposal of assets, net (Note 6)	**(389)**	1,464	2,072	1,515
Other operating income	**419**	268	626	361
Other operating expense	**(356)**	(92)	(1,731)	(308)
Operating Profit	**69,275**	71,331	127,068	142,812
Non-Operating Income (Expense):				
Finance expense	**(26,845)**	(27,641)	(53,552)	(52,064)
Finance income	**595**	2,384	1,192	3,224
Foreign currency exchange (loss) gain, net	**(1,385)**	1,033	(1,269)	873
Other non-operating income (loss), net	**382**	(11)	2,090	8
Profit before Income Tax	**42,022**	47,096	75,529	94,853
Income tax	**(4,062)**	(4,262)	(7,184)	(13,238)
Net Profit	**$ 37,960**	$ 42,834	$ 68,345	$ 81,615
***Attributable to*:**				
Equity holders of SNL	**37,756**	42,498	68,154	81,221
Non-controlling interests	**204**	336	191	394
	$ 37,960	$ 42,834	68,345	$ 81,615
Earnings per Share:				
Net profit attributable to SNL shareholders				
Basic	**$ 0.68**	$ 0.76	$ 1.24	$ 1.44
Diluted	**$ 0.68**	$ 0.76	$ 1.24	$ 1.44

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, 2016	**May 31, 2015**	**May 31, 2016**	**May 31, 2015**
		(in thousands)		
Net profit for the period	**$ 37,960**	$ 42,834	$ 68,345	$ 81,615
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of post-employment benefit obligations	**(14,125)**	(3,151)	(14,125)	(3,151)
Deferred tax adjustment on post-employment benefit obligations	**5,240**	450	5,240	450
Items that may be reclassified subsequently to profit or loss:				
Net loss on cash flow hedges	**(12,541)**	(19,609)	(25,661)	(93,501)
Reclassification of cash flow hedges to income statement	**26,689**	21,075	35,455	89,207
Net income (loss) on cash flow hedge held by joint venture	**488**	(1,360)	4,020	(1,506)
Deferred tax adjustment on cash flow hedges	**(3)**	(16)	(3)	(16)
Exchange differences arising on translation of foreign operations	**15,369**	(15,534)	13,872	(54,674)
Deferred tax on translation of foreign operations	**(140)**	1,946	(684)	1,291
Exchange differences arising on translation of joint ventures and associates	**4,874**	(1,498)	1,974	(14,724)
Change in value of available-for-sale financial assets	**(2,028)**	3,701	(21,694)	3,701
Net income (loss) recognised as other comprehensive income	**23,823**	(13,996)	(1,606)	(72,923)
Total comprehensive income	**$ 61,783**	$ 28,838	$ 66,739	$ 8,692
Attributable to:				
Equity holders of SNL	**$ 61,579**	$ 28,494	$ 66,548	$ 8,298
Non-controlling interests	**204**	344	191	394
	$ 61,783	$ 28,838	$ 66,739	$ 8,692

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

(UNAUDITED)

	May 31, 2016	November 30, 2015
	(in thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	**$ 152,257**	$ 77,545
Restricted cash	**77**	68
Receivables	**214,448**	202,758
Inventories	**9,676**	7,678
Biological assets	**41,119**	35,494
Prepaid expenses	**58,678**	55,301
Income tax receivable	**1,623**	2,369
Derivative financial instruments (Note 9)	**3,203**	—
Other current assets	**32,267**	45,193
Total Current Assets	**513,348**	426,406
Property, plant and equipment (Note 6)	**2,760,125**	2,785,231
Investments in and advances to joint ventures and associates (Note 7)	**482,045**	476,875
Available-for-sale financial assets	**37,938**	59,632
Deferred tax assets	**16,669**	18,768
Intangible assets and goodwill (Note 6)	**44,047**	43,843
Employee benefit assets	**3,985**	3,745
Deposit for newbuildings (Note 6)	**94,835**	65,655
Derivative financial instruments (Note 9)	**1,207**	—
Other assets	**17,968**	14,346
Total Non-current Assets	**3,458,819**	3,468,095
Total Assets	**$ 3,972,167**	$ 3,894,501
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt and finance leases (Note 8)	**323,009**	323,422
Accounts payable	**73,179**	70,254
Accrued voyage expenses	**55,066**	59,529
Dividend payable (Note 5)	—	27,623
Accrued expenses	**165,784**	175,171
Provisions	**3,673**	5,598
Income tax payable	**6,154**	7,158
Derivative financial instruments (Note 9)	**125,462**	142,577
Other current liabilities	**27,322**	25,561
Total Current Liabilities	**779,649**	836,893
Long-term debt and finance leases (Note 8)	**1,530,353**	1,427,909
Deferred tax liabilities	**55,612**	58,195
Employee benefit liabilities (Note 13)	**61,894**	47,387
Derivative financial instruments (Note 9)	**167,305**	185,192
Long-term provisions	**3,511**	3,616
Other liabilities	**7,057**	6,073
Total Non-current Liabilities	**1,825,732**	1,782,372
Shareholders' Equity		
Founder's shares	**16**	16
Common shares	**64,134**	64,134
Paid-in surplus	**314,754**	314,754
Retained earnings	**1,448,191**	1,416,395
Other components of equity	**(248,125)**	(255,404)
	1,578,970	1,539,895
Less – Treasury shares (Note 5)	**(216,132)**	(214,416)
Equity Attributable to Equity Holders of SNL	**1,362,838**	1,325,479
Non-controlling interests	**3,948**	3,757
Total Shareholders' Equity	**1,366,786**	1,329,236
Total Liabilities and Shareholders' Equity	**$ 3,972,167**	$ 3,894,501

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, 2014	**$ 64,134**	**$ 16**	**$ 314,754**	**$ (189,786)**	**$ 1,337,768**	**$ (50,914)**	**$ (50,318)**	**$ —**	**$ 1,425,654**	**$ 3,325**	**$ 1,428,979**
Comprehensive income (loss)											
Net profit	—	—	—	—	81,221	—	—	—	81,221	394	81,615
Other comprehensive (loss) income											
Translation adjustments, net	—	—	—	—	—	(68,107)	—	—	(68,107)	—	(68,107)
Remeasurement of post-employment benefit obligations, net of tax	—	—	—	—	(2,701)	—	—	—	(2,701)	—	(2,701)
Net loss on cash flow hedges	—	—	—	—	—	—	(5,816)	—	(5,816)	—	(5,816)
Fair value adjustment on available-for-sale financial assets	—	—	—	—	—	—	—	3,701	3,701	—	3,701
Total other comprehensive (loss) income	—	—	—	—	(2,701)	(68,107)	(5,816)	3,701	(72,923)	—	(72,923)
Total comprehensive income (loss)	**—**	**—**	**—**	**—**	**78,520**	**(68,107)**	**(5,816)**	**3,701**	**8,298**	**394**	**8,692**
Transactions with shareholders											
Purchase of 593,661Treasury shares	—	—	—	(9,176)	—	—	—	—	(9,176)	—	(9,176)
Cash dividends paid - $0.50 per Common share	—	—	—	—	(28,114)	—	—	—	(28,114)	—	(28,114)
Total transactions with shareholders	**—**	**—**	—	**(9,176)**	**(28,114)**	**—**	**—**	—	**(37,290)**	—	**(37,290)**
Balance, May 31, 2015	**$ 64,134**	**$ 16**	**$ 314,754**	**$ (198,962)**	**$ 1,388,174**	**$ (119,021)**	**$ (56,134)**	**$ 3,701**	**$ 1,396,662**	**$ 3,719**	**$ 1,400,381**
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 on available-for-sale financial assets	—	—	—	—	—	—	—	(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**

(a) Other components of equity on the balance sheet of $248.1 million and $171.4 million at May 31, 2016 and 2015, 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	
	May 31, 2016	**May 31, 2015**
Cash generated from operations (Note 3)	**$ 217,344**	$ 168,465
Interest paid	**(55,258)**	(46,574)
Interest received	**555**	751
Debt issuance costs	**(1,059)**	(4,220)
Income taxes (paid) refunded	**(3,643)**	3,319
Net cash generated by operating activities	**157,939**	121,741
Cash flows from investing activities:		
Capital expenditures (Note 6)	**(94,044)**	(153,904)
Purchase of intangible assets (Note 6)	**(915)**	(685)
Purchase of Golar LNG Limited shares	**—**	(99,871)
Deposit for newbuildings (Note 6)	**(29,180)**	(7,295)
Refund of progress payments on newbuildings	**—**	10,952
Proceeds from sales of ships and other assets	**17,273**	49,360
Investment in joint ventures and associates	**(34)**	(11,850)
Repayment of advances from joint ventures and associates, net	**4,529**	10,522
Other, net	**197**	(363)
Net cash used in investing activities	**(102,174)**	(203,134)
Cash flows from financing activities:		
Decrease in short-term bank loans, net (Note 8)	**—**	(15,800)
Proceeds from issuance of long-term debt (Note 8)	**219,923**	429,573
Repayment of long-term debt (Note 8)	**(144,558)**	(187,912)
Finance lease payments	**(41)**	(44)
Purchase of treasury shares (Note 5)	**(1,715)**	(11,232)
Dividends paid (Note 5)	**(55,095)**	(56,696)
Net cash provided by financing activities	**18,514**	157,889
Effect of exchange rate changes on cash	**433**	3,221
Net increase in cash and cash equivalents	**74,712**	79,717
Cash and cash equivalents at beginning of the period	**77,545**	45,206
Cash and cash equivalents at end of the period	**$ 152,257**	$ 124,923

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, 2015, 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, 2015, 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.

New or Amendments to Standards

New and amended standards that were not yet effective as of May 31 2016 were described in Note 2 of the consolidated financial statements for the year ended November 30, 2015.

IFRS 15, Revenue from Contracts with Customers, and IFRS 16, Leases, will have a material impact on the Group's Consolidated Financial Statements. Management is currently assessing the impact of these new standards.

3. Reconciliation of Net Profit to Cash Generated from Operations

	For the Six Months Ended	
	May 31, 2016	**May 31, 2015**
	(in thousands)	
Net profit	**$ 68,345**	$ 81,615
Adjustments to reconcile net profit to net cash from operating activities:		
Depreciation of property, plant and equipment	**116,420**	99,923
Amortisation of other intangible assets	**1,531**	2,067
Finance expense and income	**52,360**	48,840
Net periodic benefit costs (credit) of defined benefit pension plans	**1,550**	(18,605)
Income tax expenses	**7,184**	13,238
Share of profit of joint ventures and associates	**(19,477)**	(25,088)
Fair value adjustment on biological assets	**(6,417)**	(3,460)
Foreign currency related losses (gains)	**1,269**	(873)
Bunker hedge gain	**(4,449)**	—
Gain on disposal of assets, net	**(2,072)**	(1,515)
Changes in assets and liabilities, net of effect of acquisitions and divestitures:		
Increase in receivables	**(10,471)**	(27,820)
Increase in inventories	**(2,003)**	(2,594)
Decrease in biological assets	**2,150**	740
Decrease in prepaid expenses and other current assets	**6,287**	3,510
Decrease in accounts payable and other current liabilities	**(9,428)**	(4,805)
Contributions to defined benefit pension plans	**(1,331)**	(2,108)
Dividends from joint ventures and associates	**13,293**	6,255
Other, net	**2,603**	(855)
Cash generated from operations	**$ 217,344**	$ 168,465

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, 2015.

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, 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 May 31, 2016						
Investments in and advances to joint ventures and associates	205,439	221,390	17,564	—	37,652	482,045
Segment assets	1,814,180	1,202,283	533,090	125,401	297,213	3,972,167

	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Corporate and Other (a)	Total
For the three months ended May 31, 2015						
Operating revenue	$ 285,261	$ 55,502	$ 131,273	$ 14,428	$ 14,246	$ 500,710
Depreciation and amortisation including drydocking	(31,577)	(12,189)	(5,466)	(1,060)	(1,694)	(51,986)
Share of profit of joint ventures and associates	4,150	6,726	335	—	1,948	13,159
Operating profit	30,391	14,269	18,632	5,218	2,821	71,331
Capital expenditures (b)	13,699	31,888	14,183	867	1,125	61,762
For the six months ended May 31, 2015						
Operating revenue	563,505	111,222	257,367	28,146	28,174	988,414
Depreciation, amortisation and impairment, including drydocking	(62,744)	(23,797)	(10,728)	(2,030)	(2,691)	(101,990)
Share of profit of joint ventures and associates	6,381	13,271	421	—	5,015	25,088
Operating profit	49,363	29,916	34,615	4,959	23,959	142,812
Capital expenditures (b)	54,374	65,732	28,915	1,852	6,571	157,444
As of November 30, 2015						
Investments in and advances to joint ventures and associates	204,054	215,180	17,125	—	40,516	476,875
Segment assets	1,843,794	1,158,342	525,048	114,985	252,332	3,894,501

(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. Capital Stock, Founder's Shares, Paid-in Surplus, Dividends Declared and Share Repurchases

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, 2016 and November 30, 2015, there were 64,133,796 shares issued, of which Treasury shares of 9,188,941 and 9,021,941, respectively, were held by the Group.

Treasury Shares

The Group issued no shares from Treasury shares for the six months ended May 31, 2016 and 2015, respectively, upon the exercise of employee share options.

Treasury Shares - Share Repurchase

The Group announced on March 2, 2016 that the Board of Directors had authorized the Company to purchase up to $30 million worth of its common shares. The Group purchased 167,000 of its Common shares during the second quarter of 2016 for $1.7 million.

Dividends

On February 11, 2016, the Group's Board of Directors recommended a final dividend for 2015 of $0.50 per Common share, payable to shareholders of record as of April 28, 2016. The dividend, which was subject to shareholder approval, was approved at the Company's Annual General Meeting of shareholders on April 21, 2016 in Bermuda. The total gross amount of the dividend was $27.5 million and paid on May 12, 2016.

On November 11, 2015, the Group's Board of Directors declared an interim dividend of $0.50 per Common share and $0.005 per Founder's share to shareholders of record as of November 26, 2015. The total gross amount of the dividend was $27.6 million, which was classified as an interim dividend and paid on December 11, 2015.

On February 11, 2015, the Group's Board of Directors recommended a final dividend for 2014 of $0.50 per Common share, payable to shareholders of record as of April 23, 2015. The dividend, which was subject to shareholder approval, was approved at the Company's Annual General Meeting of shareholders on April 17, 2015 in Bermuda. The total gross amount of the dividend was $28.2 million and paid on May 13, 2015.

6. Property, Plant and Equipment and Intangible Assets

Acquisition and Retirement during the Six Months Ending May 31, 2016

During the three months ended May 31, 2016, the Group spent $44.3 million on property, plant and equipment. Cash spent during the quarter primarily reflected (a) $24.7 million on terminal capital expenditures, (b) $11.5 million on the acquisition of tank containers and construction of two depots, and (c) $3.5 million on drydocking of ships. Interest of $1.9 million was capitalised on the new construction of terminals and on tanker newbuildings.

During the six months ended May 31, 2016, the Group spent $94.0 million on property, plant and equipment. Cash spent during the quarter primarily reflected (a) $48.7 million on terminal capital expenditures, (b) $20.6 million on the acquisition of tank containers and construction of two depots and (c) $7.7 million on drydocking of ships. Interest of $3.6 million was capitalised on the new construction of terminals and on tanker newbuildings.

For the six months ended May 31, 2016, the Group paid an additional $29.2 million for newbuilding deposits.

Proceeds from retirements were $17.3 million from the recycling of three ships, sale of emission credits and retirement of tank containers and other assets.

During the six months ended May 31, 2016, the Group spent $0.9 million on intangible assets, mainly on the acquisition of computer software. Revaluation for foreign exchange differences for goodwill and other intangibles amounted to a gain of $1.1 million in the same period.

7. Investment in Joint Ventures and Associates

The terminal owned by the Group's joint venture investment in Tianjin Lingang Stolthaven Terminal Co. remains temporarily closed during the six months ended May 31, 2016, awaiting the renewal of permits, in the wake of an explosion in the Port of Tianjin in August 2015. Partial permits were received in June 2016 with the remaining expected to be received by the end of 2016.

For the six months ended May 31, 2016, the Group wrote down advances to a joint venture by $1.3 million.

8. Short and Long Term Debt

Short-term debt consists of debt obligations to banks under multi-year revolving credit agreements, uncommitted lines of credit and bank overdraft facilities. The Group classifies drawdowns on its committed revolving credit agreement for periods that are less than one year as short-term debt, even though the agreement is a committed multi-year facility. As of May 31, 2016, the Group had available committed short-term credit lines of $417.1 million. Long-term debt consists of debt collateralized by mortgages on the Group's ships, tank containers and terminals, as well as $624.4 million unsecured bond financing at May 31, 2016.

	For the Six Months Ended	
	May 31, 2016	**May 31, 2015**
	(in thousands)	
Short-term bank loan repayments, net	**$ —**	$ (15,800)
Proceeds from issuance of long-term debt	**219,923**	429,573
Repayment of long-term debt	**(144,558)**	(187,912)

Proceeds from the issuance of debt for the six months ended May 31, 2016 were $219.9 million. On May 20, 2016, the Group entered into a $131.3 million fixed-rate borrowing agreement using a group of tank containers as collateral. The agreement is with ING Bank N.V., Development Bank of Japan and a group of private investors for six and a half years at a fixed rate of 3.7%. There are 26 equal payments of $3.6 million each and at the end of the agreement, the Group has an option to purchase the tank containers by paying a fixed amount of $59.1 million. As the option to repurchase was virtually certain to be exercised by the Group at the date of the borrowing, the transaction has been treated as collateralized debt.

The Group drew the first part of its draw down ($65.2 million of $85.0 million) on its top-off facility with Danish Ship Finance A/S on May 31, 2016. The remaining $19.8 million was drawn on June 1, 2016. The Group also drew down $10.6 million (SGD 15 million) on a facility to finance the expansion of the Singapore terminal and $10.8 million on a facility with ANZ Bank.

The Group repaid $144.6 million of long-term debt during the six months ended May 31, 2016. Included in this was $74.1 million for the repayment of the mortgages of two of the four ships under the facility with Eksportfinans ASA and DNB Bank ASA. The ships were subsequently entered into the Group's committed senior secured revolving credit line.

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 7, 2016.

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 is measured using quoted prices in an active market (Level 1) while its derivative financial instruments are measured using inputs other than quoted values (Level 2).

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, 2016		November 30, 2015	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial Assets (Loans and Receivables):				
Cash and cash equivalents	$ 152,257	$ 152,257	$ 77,545	$ 77,545
Restricted cash	77	77	68	68
Receivables	214,448	214,448	202,758	202,758
Other current assets	32,267	32,267	45,193	45,193
Available-for-sale Financial Assets (Fair Value):				
Equity instruments	37,938	37,938	59,632	59,632
Financial Liabilities (Amortised Cost):				
Accounts payables	73,179	73,179	65,167	65,167
Accrued expenses	220,850	220,850	234,700	234,700
Dividend payable	—	—	27,623	27,623
Long-term debt and finance leases including current maturities	1,877,513	1,981,871	1,775,599	1,900,355
Derivative Financial Instruments (Fair Value):				
Bunker hedge asset	4,410	4,410	—	—
Foreign exchange forward contracts liabilities	(85)	(85)	(1,609)	(1,609)
Interest rate swap liabilities	(7,688)	(7,688)	(10,212)	(10,212)
Cross-currency interest rate swap liabilities	(284,994)	(284,994)	(315,947)	(315,947)

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 available-for-sale financial assets is based on traded value. The estimated value of its senior unsecured bond issues is based on traded values, while the values on the remaining long-term debt is based on interest rates as of May 31, 2016 and November 30, 2015, 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, 2016 and November 30, 2015, 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, 2016 and November 30, 2015.

Long-term debt in the table above excludes debt issuance costs of $24.4 million and $24.3 million, respectively, and future finance charges on finance leases of approximately $0.1 million as of May 31, 2016 and November 30, 2015.

Derivatives

The Group has derivative assets of $4.4 million and nil and liabilities of $292.8 million and $327.8 million as of May 31, 2016 and November 30, 2015. All of the Group's derivative activities are financial instruments entered into 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 are based on their estimated market values as of May 31, 2016 and November 30, 2015. There were no changes in the valuation techniques during the period.

In the first half of 2016, the Group began a bunker hedging program and entered into swaps for 164,000 million tons with expiration dates ranging from three to 24 months forward. The bunker contracts were marked-to-market through the Income Statement and a gain of $4.4 million recorded for the six months ended May 31, 2016.

10. Commitments and Contingencies

As of May 31, 2016 and November 30, 2015, the Group had total capital expenditure purchase commitments outstanding of approximately $394.2 million and $361.7 million, respectively. At May 31, 2016, the total purchase commitments consisted of newbuilding contracts for five tankers, approximately 228 tank containers, new and existing terminal expansion projects and other smaller projects in the businesses. Of the $393.9 million of purchase commitments expected to be paid in the next year, $290.1 million of that amount has financing in place and the remaining $103.8 million will be paid out of existing liquidity.

Environmental

Environmental disclosures are described in Note 24 of the Consolidated Financial Statements for the year ended November 30, 2015. 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 $132.8 million of purchase commitments, non-recourse to the Group at May 31, 2016. These commitments primarily relate to $125.9 million for five parcel tankers at two joint ventures and terminal capital projects.

11. Legal Proceedings

The Company incurred $0.2 million and $0.1 million for legal proceedings in the six months ended May 31, 2016 and 2015, respectively, which are included in "Administrative and general expenses" in the consolidated income statements. The Company 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 25 of the consolidated financial statements for the year ended November 30, 2015. There have been no significant changes to any ongoing legal proceedings since that time and the Company 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 Company 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 Company'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 the first quarter of the year as this coincides with increased sales over the Christmas and New Year holidays. STC shipment volumes may be negatively affected in the first quarter by the seasonality inherent in their key customers' businesses. Tanker's results can be negatively affected in the winter months, as a result 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. Curtailment of the U.S. Pension Plan

Effective December 31, 2014, the U.S. Employee Benefit Plan was frozen for current and future participants. As a result, approximately $19.8 million of one-time income was recorded in the six months ended May 31, 2015, which resulted in a decrease of the Employee benefit liabilities by $19.8 million.

14. Related Party Transactions

The Group continues to transact with related parties as in prior years.

15. Subsequent Events

On June 1, 2016, the Group drew $19.8 million on its top-off facility with Danish Ship Finance A/S. See Note 8 for additional discussion.

On June 1, 2016, Gulf Stolt Tankers DMCCO ("GST") entered into an agreement with their lending banks to extend the due date of a loan which matured on May 31, 2016 to July 31, 2016. The loan, which is non-recourse to the Group, is for $81.0 million. The extension agreement was subject to certain conditions subsequent, including the need to present the banks with a viable refinancing plan by June 30, 2016. On June 30, 2016, GST presented to the bank a proposal which was not considered to be viable. The joint venture was therefore considered to be in breach of the extension agreement. The banks could demand immediate repayment of the loan, which would result in a payment default by GST.

On June 8, 2016, the Group completed the increase of NOK 200 million ($24.7 million) on its bond issuance maturing in 2018, NOK 500 million ($61.8 million) on its bond issuance maturing in 2019, NOK 150 million ($18.5 million) on its bond issuance maturing in 2020 and NOK 200 million ($24.7 million) on its bond issuance maturing in 2021. The Group swapped the bond volumes into USD obligations at fixed interest rates of 4.47% for 2018, 5.49% for 2019, 5.78% for 2020 and 5.99% for 2021 bond issuances. Proceeds were used for repayment of long-term debt and for general corporate purposes.

On June 13, 2016, the Group's joint venture, Tianjin Lingang Stolthaven Terminal Co., received partial permits to perform terminal operations.

On June 22, 2016, the Company repaid a $300 million bond (SNI01) with cash on hand and through a drawdown on the Company's revolving credit facility.

STOLT-NIELSEN LIMITED
RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the condensed set of financial statements for the three months and six months ended May 31, 2016 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. We also confirm, to the best of our knowledge, that the Interim Operational and Financial Review includes a fair review of important events that have occurred during the six months ended May 31, 2016 and their impact on the condensed consolidated set of interim financial statements, a description of the principal risks and uncertainties facing the Group and major related party transactions.

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 7, 2016

Signed for and on behalf of the Board of Directors

N.G. Stolt-Nielsen

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 2016. 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 2016;
- 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 Ireland) 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 for and only for the company for the purpose of complying with the Disclosure and Transparency Rules of the Financial Conduct Authority 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

7 July 2016

London