




STOLT-NIELSEN LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three Months Ended February 28, 2018

STOLT-NIELSEN LIMITED

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STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

(UNAUDITED)

	Notes	Three months ended February 28, 2018	Three months ended February 28, 2017
		(in thousands)	
Operating Revenue	4	**$ 515,279**	$ 475,651
Operating Expenses		**(351,256)**	(312,770)
Gross Margin		**164,023**	162,881
Depreciation and amortisation		**(67,246)**	(64,859)
Gross Profit		**96,777**	98,022
Share of profit from joint ventures and associates	7	**13,970**	3,966
Administrative and general expenses		**(57,016)**	(51,672)
Loss on disposal of assets, net	6	**(6)**	(2,044)
Other operating income		**1,290**	510
Other operating expense		**(67)**	(362)
Operating Profit		**54,948**	48,420
Non-Operating Income (Expense):			
Finance expense		**(35,502)**	(33,118)
Finance income		**926**	1,412
Foreign currency exchange (loss) gain, net		**(1,544)**	752
Other non-operating income, net		**155**	127
Profit before Income Tax		**18,983**	17,593
Income tax benefit (expense)		**19,797**	(2,371)
Net Profit		**$ 38,780**	$ 15,222
***Attributable to*:**			
Equity holders of SNL		**38,731**	15,187
Non-controlling interests		**49**	35
		$ 38,780	$ 15,222
Earnings per Share:			
Net profit attributable to SNL shareholders			
Basic		**$ 0.63**	$ 0.25
Diluted		**$ 0.63**	$ 0.25

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF

OTHER COMPREHENSIVE INCOME

(UNAUDITED)

	Three months ended	
	February 28, 2018	**February 28, 2017**
	(in thousands)	
Net profit for the period	**$ 38,780**	$ 15,222
Items that will not be reclassified subsequently to profit or loss:		
Deferred tax adjustment on defined benefit and other post-employment benefit obligations	**(2,724)**	—
Items that may be reclassified subsequently to profit or loss:		
Net income on cash flow hedges	**44,435**	6,546
Reclassification of cash flow hedges to income statement	**(23,029)**	(1,892)
Net income on cash flow hedges held by joint ventures and associates	**2,684**	1,658
Deferred tax adjustment on cash flow hedges	**(478)**	—
Exchange differences arising on translation of foreign operations	**13,691**	5,516
Deferred tax on translation of foreign operations	**(32)**	(347)
Exchange differences arising on translation of joint ventures and associates	**6,694**	1,811
Change in value of available-for-sale financial assets	**5,382**	6,780
Net income recognised as other comprehensive income	**46,623**	20,072
Total comprehensive income	**$ 85,403**	$ 35,294
Attributable to:		
Equity holders of SNL	**$ 85,354**	$ 35,259
Non-controlling interests	**49**	35
	$ 85,403	$ 35,294

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

(UNAUDITED)

	Notes	February 28, 2018	November 30, 2017
		(in thousands)	
ASSETS			
Current Assets:			
Cash and cash equivalents		**$ 70,276**	$ **58,308**
Restricted cash		**100**	**98**
Receivables		**265,295**	**241,115**
Inventories		**10,559**	**8,851**
Biological assets		**50,606**	**45,696**
Prepaid expenses		**75,994**	**66,699**
Derivative financial instruments	9	**8,279**	**9,025**
Income tax receivable		**7,304**	**7,648**
Assets held for sale		**2,275**	**2,275**
Other current assets		**32,305**	**44,150**
Total Current Assets		**522,993**	**483,865**
Property, plant and equipment	6	**3,423,864**	**3,440,609**
Investments in and advances to joint ventures and associates	7	**555,960**	**531,930**
Investments in equity instruments		**62,952**	**57,570**
Deferred tax assets		**20,965**	**13,699**
Intangible assets and goodwill	6	**52,349**	**51,635**
Employee benefit assets		**3,854**	**5,498**
Deposit for newbuildings	6	**14,623**	**7,297**
Derivative financial instruments	9	**13,652**	**4,742**
Other assets		**16,660**	**18,014**
Total Non-Current Assets		**4,164,879**	**4,130,994**
Total Assets		**$ 4,687,872**	$ **4,614,859**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Current maturities of long-term debt and finance leases	8	**460,090**	432,568
Accounts payable		**73,444**	89,891
Accrued voyage expenses		**55,672**	53,356
Accrued expenses		**196,883**	183,253
Provisions		**4,762**	2,529
Income tax payable		**11,076**	10,691
Dividend payable	5	—	13,814
Derivative financial instruments	9	**52,884**	60,871
Other current liabilities		**42,569**	37,299
Total Current Liabilities		**897,380**	884,272
Long-term debt and finance leases	8	**2,058,067**	2,037,144
Deferred tax liabilities		**53,402**	66,411
Employee benefit liabilities		**38,387**	39,638
Derivative financial instruments	9	**69,329**	99,175
Long-term provisions		**2,148**	2,367
Other liabilities		**6,564**	7,023
Total Non-Current Liabilities		**2,227,897**	2,251,758
Total Liabilities		**3,125,277**	3,136,030
Shareholders' Equity			
Founder's shares		**16**	16
Common shares		**64,134**	64,134
Paid-in surplus		**150,108**	150,108
Retained earnings		**1,519,150**	1,483,143
Other components of equity		**(120,542)**	(169,889)
		1,612,866	1,527,512
Less – Treasury shares	5	**(53,123)**	(51,486)
Equity Attributable to Equity Holders of SNL		**1,559,743**	1,476,026
Non-controlling interests		**2,852**	2,803
Total Shareholders' Equity		**1,562,595**	1,478,829
Total Liabilities and Shareholders' Equity		**$ 4,687,872**	$ 4,614,859

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(UNAUDITED)

	Attributable to Equity Holders of SNL										
	Common Shares	Founder's Shares	Paid-in Surplus	Treasury Shares	Retained Earnings	Foreign Currency	Hedging	Fair Value	Total	Non-Controlling Interests	Shareholders' Equity Total
	(in thousands, except for share data)										
Balance, November 30, 2016	**$ 64,134**	**$ 16**	**$ 150,108**	**$ (51,486)**	**$ 1,466,551**	**$ (172,788)**	**$ (29,978)**	**$ (46,536)**	**$ 1,380,021**	**$ 3,567**	**$ 1,383,588**
Comprehensive income											
Net profit	—	—	—	—	15,187	—	—	—	15,187	35	15,222
Other comprehensive income											
Translation adjustments, net	—	—	—	—	—	6,980	—	—	6,980	—	6,980
Fair value adjustment equity investments	—	—	—	—	—	—	—	6,780	6,780	—	6,780
Net income on cash flow hedge	—	—	—	—	—	—	6,312	—	6,312	—	6,312
Total other comprehensive income	**—**	**—**	**—**	**—**	**—**	**6,980**	**6,312**	**6,780**	**20,072**	**—**	**20,072**
Transactions with shareholders											
Acquisition of 20% of Shanghai Stolt Kingman	—	—	—	—	—	—	—	—	—	(799)	(799)
Total transactions with shareholders	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	(799)	(799)
Balance, February 28, 2017	**$ 64,134**	**$ 16**	**$ 150,108**	**$ (51,486)**	**$ 1,481,738**	**$ (165,808)**	**$ (23,666)**	**$ (39,756)**	**$ 1,415,280**	**$ 2,803**	**$ 1,418,083**
Balance, November 30, 2017	**$ 64,134**	**$ 16**	**$ 150,108**	**$ (51,486)**	**$ 1,483,143**	**$ (106,645)**	**$ (17,430)**	**$ (45,814)**	**$ 1,476,026**	**$ 2,803**	**$ 1,478,829**
Comprehensive income (loss)											
Net profit	—	—	—	—	38,731	—	—	—	38,731	49	38,780
Other comprehensive income (loss)											
Translation adjustments, net	—	—	—	—	—	20,353	—	—	20,353	—	20,353
Deferred tax adjustment on pension and other post-employment obligations	—	—	—	—	(2,724)	—	—	—	(2,724)	—	(2,724)
Fair value adjustment equity investments	—	—	—	—	—	—	—	5,382	5,382	—	5,382
Net income on cash flow hedge	—	—	—	—	—	—	23,612	—	23,612	—	23,612
Total other comprehensive income	—	—	—	—	(2,724)	20,353	23,612	5,382	46,623	—	46,623
Total comprehensive income	**—**	**—**	**—**	**—**	**36,007**	**20,353**	**23,612**	**5,382**	**85,354**	**49**	**85,403**
Transactions with shareholders											
Purchase of own shares	—	—	—	(1,637)	—	—	—	—	(1,637)	—	(1,637)
Total transactions with shareholders	**—**	**—**	**—**	**(1,637)**	**—**	**—**	**—**	**—**	**(1,637)**	**—**	**(1,637)**
Balance, February 28, 2018	**$ 64,134**	**$ 16**	**$ 150,108**	**$ (53,123)**	**$ 1,519,150**	**$ (86,292)**	**$ 6,182**	**$ (40,432)**	**$ 1,559,743**	**$ 2,852**	**$ 1,562,595**

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

(UNAUDITED)

	Notes	For the three months ended February 28, 2018	February 28, 2017
		(in thousands)	
Cash generated from operations	3	**$ 87,944**	$ 90,161
Interest paid		**(28,874)**	(33,768)
Debt issuance costs		**(124)**	(123)
Interest received		**998**	908
Income taxes paid		**(2,887)**	(603)
Net cash generated by operating activities		**57,057**	56,575
Cash flows from investing activities:			
Capital expenditures	6	**(30,274)**	(126,709)
Purchase of intangible assets	6	**(743)**	(358)
Cash from sale of marketable securities		**—**	11,507
Deposit for newbuildings	6	**(7,326)**	(7,295)
Proceeds from sale of ships and other assets		**382**	2,132
Acquisition of non-controlling interest		**—**	(1,311)
(Advances to) repayments of advances to joint ventures and associates, net		**(2,809)**	476
Other, net		**(272)**	(328)
Net cash used in investing activities		**(41,042)**	(121,886)
Cash flows from financing activities:			
Decrease in short-term bank loans, net	8	**—**	(4,100)
Proceeds from issuance of long-term debt	8	**62,782**	301,123
Repayment of long-term debt	8	**(50,637)**	(193,092)
Finance lease payments		**(26)**	(16)
Purchase of treasury shares		**(1,637)**	—
Dividends paid	5	**(13,814)**	(27,550)
Net cash (used in) provided by financing activities		**(3,332)**	76,365
Effect of exchange rate changes on cash		**(715)**	4,450
Net increase in cash and cash equivalents		**11,968**	15,504
Cash and cash equivalents at beginning of the period		**58,308**	92,784
Cash and cash equivalents at end of the period		**$ 70,276**	$ 108,288

See notes to the condensed consolidated interim financial statements.

1. Basis of Preparation

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

2. Significant Accounting Policies

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

3. Reconciliation of Net Profit to Cash Generated from Operations

	For the Three Months Ended	
	February 28, 2018	February 28, 2017
	(in thousands)	
Net profit	**$ 38,780**	$ 15,222
Adjustments to reconcile net profit to net cash from operating activities:		
Depreciation of property, plant and equipment	**66,187**	64,083
Amortisation of intangible assets	**1,059**	776
Finance expense, net	**34,576**	31,706
Net periodic benefit expense of defined benefit pension plans	**708**	893
Income tax (benefit) expenses	**(19,797)**	2,371
Share of profit of joint ventures and associates	**(13,970)**	(3,966)
Fair value adjustment on biological assets	**(3,256)**	3,480
Foreign currency related loss (gain)	**1,544**	(752)
Unrealised bunker hedge loss	**3,115**	31
Loss on disposal of assets, net	**6**	2,044
Changes in assets and liabilities, net of effect of acquisitions and divestitures:		
Increase in receivables	**(23,706)**	(34,351)
(Increase) decrease in inventories	**(1,671)**	730
Increase in biological assets	**(863)**	(2,168)
Decrease (increase) in prepaid expenses and other current assets	**3,810**	(7,354)
Increase in accounts payable and other current liabilities	**40**	16,181
Contributions to defined benefit pension plans	**(397)**	(265)
Dividends from joint ventures and associates	**2,065**	375
Other, net	**(286)**	1,125
Cash generated from operations	**$ 87,944**	$ 90,161

4. Business and Geographic Segment Information

The segment information is provided on the same basis as stated in the consolidated financial statements for the year ended November 30, 2017.

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

	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Corporate and Other (a)	Total
For the three months ended February 28, 2018						
Operating revenue	$ 295,110	$ 62,504	$ 132,528	$ 23,656	$ 1,481	$ 515,279
Depreciation, amortisation and impairment including drydocking	(44,270)	(14,054)	(6,092)	(1,520)	(1,310)	(67,246)
Share of profit (loss) of joint ventures and associates	423	14,344	196	—	(993)	13,970
Operating profit (loss), net	10,883	25,920	16,247	5,458	(3,560)	54,948
Capital expenditures (b)	14,211	16,057	1,056	905	8,350	40,579
As of February 28, 2018						
Investments in and advances to joint ventures and associates	238,481	260,051	27,197	—	30,231	555,960
Segment assets	2,456,160	1,310,581	539,615	143,884	237,632	4,687,872

	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Corporate and Other (a)	Total
For the three months ended February 28, 2017						
Operating revenue	$ 283,413	$ 59,744	$ 113,617	$ 15,646	$ 3,231	$ 475,651
Depreciation, amortisation and impairment, including drydocking	(41,983)	(13,142)	(7,338)	(1,117)	(1,279)	(64,859)
Share of profit of joint ventures and associates	1,516	4,499	470	—	(2,519)	3,966
Operating profit (loss), net	28,470	16,666	8,958	(1,235)	(4,439)	48,420
Capital expenditures (b)	112,970	17,687	3,611	388	993	135,649
As of November 30, 2017						
Investments in and advances to joint ventures and associates	235,680	242,153	23,148	—	30,949	531,930
Segment assets	2,469,911	1,267,717	530,172	136,012	211,047	4,614,859

(a) Corporate and Other include Stolt-Nielsen Gas and Stolt Bitumen.
(b) Capital expenditures include additions to property, plant and equipment, ship deposits and intangible assets other than goodwill including additions resulting from acquisitions through business combinations.

5. Shareholders' Equity and Dividends

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

As at November 30, 2017 there were 64,133,796 Common shares issued and 16,033,449 Founder's shares issued, of which 61,944,855 Common shares and 15,486,214 Founder's shares were outstanding. As at February 28, 2018 the number of Common and Founder's shares issued remain identical to November 30, 2017 of which 61,818,794 Common shares and 15,454,699 Founder's shares were outstanding.

Treasury Shares

On February 7, 2018, the Board authorised continuation of the share buy-back programme initially announced on March 2, 2016. Under that 2016 buy-back programme, the Board had authorised the purchase of up to $30.0 million worth of the Company's Common Shares, of which the Company only utilised $1.7 million, leaving $28.3 million available for further purchases. As of February 28, 2018, a further 126,061 shares were repurchased for $1.6 million.

Treasury Shares – Transfer

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

Dividends

On February 7, 2018, the Group's Board of Directors recommended a final dividend for 2017 of $0.25 per Common share, payable on May 9, 2018 to shareholders of record on April 26, 2018. The dividend, which is subject to shareholders approval, will be voted at the Company's Annual General Meeting of Shareholders scheduled for April 19, 2018 in Bermuda.

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

6. Property, Plant and Equipment and Intangible Assets

During the three months ended February 28, 2018, the Group spent $30.3 million on property, plant and equipment. Cash spent during the quarter primarily reflected (a) $16.8 million on terminal capital expenditures, (b) $5.1 million on drydocking of ships, (c) $4.8 million on tankers capital expenditures and (d) $1.6 million on the purchase of tank containers and construction at depots. Interest of $1.0 million was capitalised on the new construction of terminals and gas newbuildings.

For the three months ended February 28, 2018, the Group paid deposits of $7.3 million for the gas newbuildings.

Proceeds of $0.4 million were received from the sale of ships, retirement of tank containers and other assets.

During the three months ended February 28, 2018, the Group spent $0.7 million on intangible assets, mainly on computer software. Revaluation for foreign exchange differences for goodwill and other intangibles amounted to a gain of $1.0 million in the same period.

7. Investment in Joint Ventures and Associates

During the quarter, the Group's Belgian joint venture reduced their deferred tax liabilities by $8.2 million due to the reduction in Belgian Corporate Tax rates. The amount is included within Share of profit from joint ventures and associates.

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 February 28, 2018 and November 30, 2017 for the $650.0 million revolving credit facility.

As of February 28, 2018, the Group had available committed short-term and long-term credit lines of $395.2 million. Long-term debt consists of debt collateralised by mortgages on the Group's ships, tank containers, terminals and investments, as well as $754.9 million unsecured bond financing at February 28, 2018.

	Cashflows For the Three Months Ended February 28, 2018	Cashflows For the Three Months Ended February 28, 2017
	(in thousands)	
Bank loan repayments, net	**$ —**	$ (4,100)
Proceeds from issuance of long-term debt	**62,782**	301,123
Repayment of long-term debt	**(50,637)**	(193,092)

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

The Group had $230.0 million drawn on its revolving credit facility as at February 28, 2018, compared to $221.0 million as at November 30, 2017 and had $56.0 million drawn on the SEB share collateral revolving facility as at February 28, 2018 compared to $11.0 million drawn as at November 30, 2017.

In the three months ended February 28, 2018, $50.7 million of bank loans were repaid, of which $30.9 million was settled on the Danish Ship Finance loan facility.

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 April 11, 2018.

9. Fair Value Measurements for Financial Assets and Liabilities

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

	February 28, 2018 Carrying Amount	February 28, 2018 Fair Value	November 30, 2017 Carrying Amount	November 30, 2017 Fair Value
	(in thousands)			
Financial Assets (Amortised Cost):				
Cash and cash equivalents	$ 70,276	$ 70,276	$ 58,308	$ 58,308
Restricted cash	100	100	98	98
Receivables	265,295	265,295	241,115	241,115
Other current assets	32,305	32,305	44,150	44,150
Financial Assets (Fair Value):				
Investments in equity instruments	62,952	62,952	57,570	57,570
Financial Liabilities (Amortised Cost):				
Accounts payables (excluding withholding and value added tax)	67,543	67,543	84,834	84,834
Accrued expenses	252,555	252,555	236,609	236,609
Dividend payable	—	—	13,814	13,814
Long-term debt and finance leases including current maturities (excluding debt issuance costs)	2,549,970	2,608,038	2,503,293	2,597,212
Derivative Financial Instruments (Fair Value):				
Assets				
Bunker swaps	8,778	8,778	8,907	8,907
Bunker call options	472	472	3,458	3,458
Foreign exchange forward contracts	132	132	5	5
Interest rate swaps	5,955	5,955	1,132	1,132
Cross-currency interest rate swaps	6,594	6,594	265	265
	$ 21,931	**$ 21,931**	**$ 13,767**	**$ 13,767**
Liabilities				
Foreign exchange forward contracts	(20)	(20)	(50)	(50)
Interest rate swaps	(5,016)	(5,016)	(10,969)	(10,969)
Cross-currency interest rate swaps	(117,177)	(117,177)	(149,027)	(149,027)
	$ (122,213)	**$ (122,213)**	**$ (160,046)**	**$ (160,046)**

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

The estimated value of the Group's financial assets and equity instruments are based on traded value. The estimated value of its senior unsecured bond issues is based on traded values, while the value on the remaining long-term debt is based on interest rates as of February 28, 2018 and November 30, 2017, respectively, using the discounted cash flow methodology. The fair values of the Group's foreign exchange and bunker contracts are based on their estimated market values as of February 28, 2018 and November 30, 2017, respectively. Market value of interest rate and cross-currency interest rate swaps was estimated based on the amount the Group would receive or pay to terminate its agreements as of February 28, 2018 and November 30, 2017.

Long-term debt in the table above excludes debt issuance costs of $31.8 million and $33.6 million, respectively, as of February 28, 2018 and November 30, 2017.

Derivatives

The Group has derivative assets of $21.9 million and $13.8 million as of February 28, 2018 and November 30, 2017, respectively and derivative liabilities of $122.2 million and $160.0 million as of February 28, 2018 and November 30, 2017, respectively. All the Group's derivative activities are financial instruments entered with major financial institutions for hedging the Group's committed exposures or firm commitments with major financial credit institutions, shipbuilders and ship-repair yards. The fair values of the Group's foreign exchange contracts and cross-currency interest rate swaps are based on their estimated market values as of February 28, 2018 and November 30, 2017, respectively. There were no changes in the valuation techniques during the period. Derivatives liability for cross-currency interest rate swaps is lower by $31.9 million primarily due to the weakening of the US Dollar against the Norwegian Krone.

The Group had purchased forward contracts on 111,000 tons for delivery in each of 2017 and 2018, and 48,000 tons for delivery in 2019 with initial expiration dates ranging from three to 24 months forward. The bunker contracts were marked-to-market through the Income Statement and a realised and unrealised loss of $0.3 million was recorded for the three months ended February 28, 2018.

10. US Tax Reform

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

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

The ultimate impact of the Act is subject to complex provisions in the legislation with further guidance and clarification expected to be issued by the US authorities.

11. Commitments and Contingencies

As of February 28, 2018, and November 30, 2017, the Group had total capital expenditure purchase commitments outstanding of approximately $92.5 million and $113.7 million, respectively. At February 28, 2018, the total purchase commitments consisted of one newbuilding contract for two 7,500 cbm LNG carriers of $58.9 million, new and existing terminal expansion projects of $32.3 million and other smaller projects of $1.2 million. Of the total purchase commitments at February 28, 2018, $33.6 million is expected to be paid over the next 12 months, $7.6 million of that amount has financing in place. The remaining $26.0 million will be paid out of existing liquidity.

Newbuilding Contract

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

Environmental

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

Joint Ventures and Associates Purchase Commitments

The Group's joint ventures and associates had an additional $60.5 million of purchase commitments on February 28, 2018, which are non-recourse to the Group. These commitments primarily relate to $51.1 million for one parcel tanker at a joint venture, $4.9 million for terminal's capital projects and $4.5 million for tank containers' depot expansions. Of the total 2018 purchase commitments at joint ventures and associates, $51.1

million is expected to be paid over the next 12 months and financing has been arranged by the joint venture. The terminals and tank container projects will be paid out of the existing liquidity of those joint ventures.

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

12. 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, 2017. 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.

13. Related Party Transactions

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

During the quarter, a member of key management was given a loan of $0.2 million at an interest rate of 5.25%. The full amount is expected to be repaid within 12 months along with the accrued interest.

14. Seasonality

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

15. Subsequent Events

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

On March 19, 2018 the Group repaid a NOK 873.5 million bond (SNI03) equivalent to US $148.7 million using funds from its revolving credit facility.

From March 1, 2018 to April 11, 2018, a further 134,232 shares have been repurchased for $1.8 million under the share buy-back program, leaving $24.9 million available for further purchases.

STOLT-NIELSEN LIMITED
RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period December 1, 2017 to February 28, 2018 has been prepared in accordance with IAS 34 as adopted by the European Union and gives a true and fair view of the Group's financial position and profit or loss and cash flows as a whole.

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

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

London
April 11, 2018

Signed for and on behalf of the Board of Directors

Niels G. Stolt-Nielsen
Chief Executive Officer

Jens F. Grüner-Hegge
Chief Financial Officer