


STOLT-NIELSEN LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Nine Months Ended August 31, 2016

STOLT-NIELSEN LIMITED

TABLE OF CONTENTS

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

(UNAUDITED)

	Three months ended		Nine months ended	
	August 31, 2016	**August 31, 2015**	**August 31, 2016**	**August 31, 2015**
	(in thousands, except per share data)			
Operating Revenue (Note 4)	**$ 474,069**	$ 500,705	$ 1,416,910	$ 1,489,119
Operating Expenses	**(316,008)**	(344,053)	(933,426)	(1,032,691)
Gross Margin	**158,061**	156,652	483,484	456,428
Depreciation and amortization	**(58,071)**	(58,893)	(176,022)	(160,883)
Gross Profit	**99,990**	97,759	307,462	295,545
Share of profit of joint ventures and associates	**8,605**	14,737	28,082	39,825
Administrative and general expenses	**(52,709)**	(50,326)	(153,557)	(151,038)
U.S. pension curtailment gain (Note 14)	—	—	—	19,813
Restructuring expenses	—	(1,737)	—	(2,468)
(Loss) gain on disposal of assets, net (Note 6)	**(1,999)**	(829)	73	686
Other operating income	**375**	264	1,001	625
Other operating expense	**(1,627)**	(66)	(3,358)	(374)
Operating Profit	**52,635**	59,802	179,703	202,614
Non-Operating Income (Expense):				
Finance expense	**(25,269)**	(26,809)	(78,821)	(78,873)
Finance income	**635**	535	1,827	3,759
Foreign currency exchange loss, net	**(1,422)**	(1,603)	(2,691)	(730)
Other non-operating income, net	**165**	1,083	2,255	1,091
Profit before Income Tax	**26,744**	33,008	102,273	127,861
Income tax	**(4,624)**	(2,668)	(11,808)	(15,906)
Net Profit	**$ 22,120**	$ 30,340	$ 90,465	$ 111,955
***Attributable to*:**				
Equity holders of SNL	**22,173**	30,089	90,327	111,310
Non-controlling interests	**(53)**	251	138	645
	$ 22,120	$ 30,340	90,465	$ 111,955
Earnings per Share:				
Net profit attributable to SNL shareholders				
Basic	**$ 0.40**	$ 0.68	$ 1.64	$ 1.98
Diluted	**$ 0.40**	$ 0.68	$ 1.64	$ 1.98

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF

OTHER COMPREHENSIVE INCOME

(UNAUDITED)

	Three months ended		Nine months ended	
	August 31, 2016	**August 31, 2015**	**August 31, 2016**	**August 31, 2015**
		(in thousands)		
Net profit for the period	**$ 22,120**	$ 30,340	$ 90,465	$ 111,955
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of post-employment benefit obligations	**—**	—	(14,125)	(3,151)
Deferred tax adjustment on post-employment benefit obligations	**—**	—	5,240	450
Items that may be reclassified subsequently to profit or loss:				
Net loss on cash flow hedges	**(111,271)**	(10,590)	(136,935)	(104,091)
Reclassification of cash flow hedges to income statement	**111,370**	7,294	146,825	96,501
Net income (loss) on cash flow hedge held by joint venture	**1,041**	867	5,061	(639)
Deferred tax adjustment on cash flow hedges	**—**	(12)	—	(28)
Exchange differences arising on translation of foreign operations	**4,374**	(10,062)	18,249	(64,736)
Deferred tax on translation of foreign operations	**(500)**	905	(1,187)	2,196
Exchange differences arising on translation of joint ventures and associates	**3,106**	(5,778)	5,080	(20,502)
Change in value of available-for-sale financial assets	**7,478**	(18,793)	(14,216)	(15,092)
Net income (loss) recognised as other comprehensive income	**15,598**	(36,169)	13,992	(109,092)
Total comprehensive income (loss)	**$ 37,718**	$ (5,829)	$ 104,457	$ 2,863
Attributable to:				
Equity holders of SNL	**$ 37,771**	$ (6,080)	$ 104,319	$ 2,218
Non-controlling interests	**(53)**	251	138	645
	$ 37,718	$ (5,829)	$ 104,457	$ 2,863

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

(UNAUDITED)

	August 31, 2016	November 30, 2015
	(in thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	**$ 75,055**	$ 77,545
Restricted cash	**89**	68
Receivables	**204,453**	202,758
Inventories	**7,919**	7,678
Biological assets	**42,420**	35,494
Prepaid expenses	**51,817**	55,301
Income tax receivable	**1,148**	2,369
Assets held for sale	**7,482**	—
Derivative financial instruments (Note 9)	**1,902**	—
Other current assets	**33,943**	45,193
Total Current Assets	**426,228**	426,406
Property, plant and equipment (Note 6)	**2,809,851**	2,785,231
Investments in and advances to joint ventures and associates (Note 7)	**491,936**	476,875
Available-for-sale financial assets	**45,416**	59,632
Deferred tax assets	**15,989**	18,768
Intangible assets and goodwill (Note 6)	**43,439**	43,843
Employee benefit assets	**3,943**	3,745
Deposit for newbuildings (Note 6)	**80,200**	65,655
Derivative financial instruments (Note 9)	**394**	—
Other assets	**19,601**	14,346
Total Non-current Assets	**3,510,769**	3,468,095
Total Assets	**$ 3,936,997**	$ 3,894,501
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term bank loans (Note 8)	**$ 45,000**	$ —
Current maturities of long-term debt and finance leases (Note 8)	**116,999**	323,422
Accounts payable	**68,485**	70,254
Accrued voyage expenses	**49,348**	59,529
Dividend payable (Note 5)	—	27,623
Accrued expenses	**165,593**	175,171
Provisions	**2,995**	5,598
Income tax payable	**7,895**	7,158
Derivative financial instruments (Note 9)	**14,913**	142,577
Other current liabilities	**25,739**	25,561
Total Current Liabilities	**496,967**	836,893
Long-term debt and finance leases (Note 8)	**1,736,300**	1,427,909
Deferred tax liabilities	**56,590**	58,195
Employee benefit liabilities (Note 14)	**61,771**	47,387
Derivative financial instruments (Note 9)	**170,509**	185,192
Long-term provisions	**3,437**	3,616
Other liabilities	**7,202**	6,073
Total Non-current Liabilities	**2,035,809**	1,728,372
Shareholders' Equity		
Founder's shares	**16**	16
Common shares	**64,134**	64,134
Paid-in surplus	**314,754**	314,754
Retained earnings	**1,470,364**	1,416,395
Other components of equity	**(232,527)**	(255,404)
	1,616,741	1,539,895
Less – Treasury shares (Note 5)	**(216,132)**	(214,416)
Equity Attributable to Equity Holders of SNL	**1,400,609**	1,325,479
Non-controlling interests	**3,612**	3,757
Total Shareholders' Equity	**1,404,221**	1,329,236
Total Liabilities and Shareholders' Equity	**$ 3,936,997**	$ 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	—	—	—	—	111,310	—	—	—	111,310	645	111,955
Other comprehensive loss											
Translation adjustments, net	—	—	—	—	—	(83,042)	—	—	(83,042)	—	(83,042)
Remeasurement of post-employment benefit obligations, net of tax	—	—	—	—	(2,701)	—	—	—	(2,701)	—	(2,701)
Net loss on cash flow hedges	—	—	—	—	—	—	(8,257)	—	(8,257)	—	(8,257)
Fair value adjustment on available-for-sale financial assets	—	—	—	—	—	—	—	(15,092)	(15,092)	—	(15,092)
Total other comprehensive loss	—	—	—	—	(2,701)	(83,042)	(8,257)	(15,092)	(109,092)	—	(109,092)
Total comprehensive income (loss)	**—**	**—**	**—**	**—**	**108,609**	**(83,042)**	**(8,257)**	**(15,092)**	**2,218**	**645**	**2,863**
Transactions with shareholders											
Purchase of 593,661Treasury shares	—	—	—	(9,176)	—	—	—	—	(9,176)	—	(9,176)
Cash dividends paid - $0.50 per Common share	—	—	—	—	(28,114)	—	—	—	(28,114)	—	(28,114)
Total transactions with shareholders	**—**	**—**	**—**	**(9,176)**	**(28,114)**	**—**	**—**	**—**	**(37,290)**	**—**	**(37,290)**
Balance, August 31, 2015	**$ 64,134**	**$ 16**	**$ 314,754**	**$ (198,962)**	**$ 1,418,263**	**$ (133,956)**	**$ (58,575)**	**$ (15,092)**	**$ 1,390,582**	**$ 3,970**	**$ 1,394,552**
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	—	—	—	—	90,327	—	—	—	90,327	138	90,465
Other comprehensive income (loss)											
Translation adjustments, net	—	—	—	—	—	22,142	—	—	22,142	—	22,142
Remeasurement of post-employment benefit obligations, net of tax	—	—	—	—	(8,885)	—	—	—	(8,885)	—	(8,885)
Net income on cash flow hedges	—	—	—	—	—	—	14,951	—	14,951	—	14,951
Fair value adjustment on available-for-sale financial assets	—	—	—	—	—	—	—	(14,216)	(14,216)	—	(14,216)
Total other comprehensive (loss) income	—	—	—	—	(8,885)	22,142	14,951	(14,216)	13,992	—	13,992
Total comprehensive income (loss)	**—**	**—**	**—**	**—**	**81,442**	**22,142**	**14,951**	**(14,216)**	**104,319**	**138**	**104,457**
Transactions with shareholders											
Purchase of 167,000 Treasury shares	—	—	—	(1,716)	—	—	—	—	(1,716)	—	(1,716)
Dividends	—	—	—	—	—	—	—	—	—	(283)	(283)
Cash dividend paid - $0.50 per Common shares	—	—	—	—	(27,473)	—	—	—	(27,473)	—	(27,473)
Total transactions with shareholders	**—**	**—**	**—**	**(1,716)**	**(27,473)**	**—**	**—**	**—**	**(29,189)**	**(283)**	**(29,472)**
Balance, August 31, 2016	**$ 64,134**	**$ 16**	**$ 314,754**	**$ (216,132)**	**$ 1,470,364**	**$ (136,712)**	**$ (41,360)**	**$ (54,455)**	**$ 1,400,609**	**$ 3,612**	**$ 1,404,221**

(a) Other components of equity on the balance sheet of $232.5 million and $207.6 million at August 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 nine months ended	
	August 31, 2016	August 31, 2015
Cash generated from operations (Note 3)	**$ 335,711**	$ 291,200
Interest paid	**(79,503)**	(77,941)
Interest received	**863**	986
Debt issuance costs	**(3,272)**	(5,091)
Income taxes (paid) refunded	**(5,489)**	3,781
Net cash generated by operating activities	**248,310**	212,935
Cash flows from investing activities:		
Capital expenditures (Note 6)	**(195,418)**	(220,639)
Purchase of intangible assets (Note 6)	**(1,032)**	(1,054)
Purchase of Golar LNG Limited shares	**—**	(99,871)
Deposit for newbuildings (Note 6)	**(36,475)**	(21,885)
Refund of progress payments on newbuildings	**—**	10,952
Proceeds from sales of ships and other assets	**24,975**	50,530
Investment in joint ventures and associates	**(5,754)**	(11,905)
Repayment of advances to joint ventures and associates, net	**8,216**	14,065
Other, net	**(194)**	481
Net cash used in investing activities	**(205,682)**	(279,326)
Cash flows from financing activities:		
Decrease in short-term bank loans, net (Note 8)	**45,000**	(90,800)
Proceeds from issuance of long-term debt (Note 8)	**463,226**	491,886
Repayment of long-term debt (Note 8)	**(496,898)**	(222,377)
Finance lease payments	**(72)**	(67)
Purchase of treasury shares (Note 5)	**(1,715)**	(11,232)
Dividends paid (Note 5)	**(55,095)**	(56,696)
Net cash (used in) provided by financing activities	**(45,554)**	110,714
Effect of exchange rate changes on cash	**436**	1,576
Net increase in cash and cash equivalents	**(2,490)**	45,899
Cash and cash equivalents at beginning of the period	**77,545**	45,206
Cash and cash equivalents at end of the period	**$ 75,055**	$ 91,105

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 August 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, could have a significant 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 Nine Months Ended	
	August 31, 2016	**August 31, 2015**
	(in thousands)	
Net profit	**$ 90,465**	$ 111,955
Adjustments to reconcile net profit to net cash from operating activities:		
Depreciation of property, plant and equipment	**173,653**	153,533
Amortisation of other intangible assets	**2,369**	7,350
Finance expense and income	**76,994**	75,114
Net periodic benefit costs (credit) of defined benefit pension plans	**2,382**	(17,763)
Income tax expenses	**11,808**	15,906
Share of profit of joint ventures and associates	**(28,082)**	(39,825)
Fair value adjustment on biological assets	**(7,004)**	(1,381)
Foreign currency related losses	**2,691**	730
Bunker hedge gain	**(2,877)**	—
Gain on disposal of assets, net	**(73)**	(686)
Changes in assets and liabilities, net of effect of acquisitions and divestitures:		
Decrease (increase) in receivables	**91**	(26,823)
Increase in inventories	**(312)**	(5,546)
Decrease in biological assets	**1,458**	51
Decrease in prepaid expenses and other current assets	**10,977**	15,726
Decrease in accounts payable and other current liabilities	**(15,909)**	(5,303)
Contributions to defined benefit pension plans	**(1,649)**	(3,083)
Dividends from joint ventures and associates	**19,714**	11,046
Other, net	**(985)**	199
Cash generated from operations	**$ 335,711**	$ 291,200

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 August 31, 2016						
Operating revenue	$ 266,249	$ 60,181	$ 119,651	$ 16,971	$ 11,017	$ 474,069
Depreciation, amortisation and impairment, including drydocking	(34,687)	(14,443)	(6,032)	(1,534)	(1,375)	(58,071)
Share of profit of joint ventures and associates	3,486	5,459	493	—	(833)	8,605
Operating profit (loss)	31,419	14,774	10,665	2,493	(6,716)	52,635
Capital expenditures (b)	67,136	24,840	8,519	1,264	936	102,695
For the nine months ended August 31, 2016						
Operating revenue	801,290	174,361	359,397	49,483	32,379	1,416,910
Depreciation, amortisation and impairment, including drydocking	(108,002)	(41,871)	(17,768)	(4,185)	(4,196)	(176,022)
Share of profit of joint ventures and associates	10,904	15,293	1,184	—	701	28,082
Operating profit (loss)	107,951	39,031	33,089	11,409	(11,777)	179,703
Capital expenditures (b)	114,313	75,543	23,305	3,164	8,047	224,372
As of August 31, 2016						
Investments in and advances to joint ventures and associates	208,329	228,518	18,600	—	36,489	491,936
Segment assets	1,829,274	1,224,629	535,832	127,063	220,199	3,936,997

	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Corporate and Other (a)	Total
For the three months ended August 31, 2015						
Operating revenue	$ 290,983	$ 53,978	$ 127,889	$ 14,805	$ 13,050	$ 500,705
Depreciation and amortisation including drydocking	(31,724)	(18,246)	(5,717)	(1,767)	(1,439)	(58,893)
Share of profit of joint ventures and associates	4,060	6,709	175	—	3,793	14,737
Operating profit (loss)	37,498	6,429	15,618	(2,063)	2,320	59,802
Capital expenditures (b)	39,712	33,421	7,297	962	1,822	83,214
For the nine months ended August 31, 2015						
Operating revenue	854,488	165,199	385,257	42,950	41,225	1,489,119
Depreciation, amortisation and impairment, including drydocking	(94,467)	(42,043)	(16,445)	(3,797)	(4,131)	(160,883)
Share of profit of joint ventures and associates	10,441	19,981	597	—	8,806	39,825
Operating profit	86,861	36,347	50,234	2,896	26,276	202,614
Capital expenditures (b)	94,086	99,153	36,212	2,814	8,393	240,658
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 August 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 nine months ended August 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 authorised 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 Nine Months Ending August 31, 2016

During the three months ended August 31, 2016, the Group spent $101.4 million on property, plant and equipment. Cash spent during the quarter primarily reflected (a) $29.5 million on terminal capital expenditures, (b) $7.6 million on the acquisition of tank containers and construction at depots, (c) final payment on delivery of the newbuilding, *Stolt Pride*, for $49.9 million and (d) $4.1 million on drydocking of ships. Interest of $1.8 million was capitalised on the new construction of terminals and on tanker newbuildings.

During the nine months ended August 31, 2016, the Group spent $195.4 million on property, plant and equipment. Cash spent during the quarter primarily reflected (a) $78.2 million on terminal capital expenditures, (b) $28.2 million on the acquisition of tank containers and construction at depots, (c) final payment on delivery of the *Stolt Pride* for $49.9 million and (d) $11.8 million on drydocking of ships. Interest of $5.4 million was capitalised on the new construction of terminals and on tanker newbuildings.

For the nine months ended August 31, 2016, the Group paid an additional $34.8 million for newbuilding deposits. Upon the delivery of the *Stolt Pride*, $21.9 million of previous deposits was transferred to property, plant and equipment.

Proceeds of $25.0 million were from the sale or recycling of seven ships, sale of emission credits and retirement of tank containers and other assets.

During the nine months ended August 31, 2016, the Group spent $1.0 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 $1.2 million in the same period.

7. Investment in Joint Ventures and Associates

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 $79.0 million at August 31, 2016. 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 terminal owned by the Group's joint venture investment in Tianjin Lingang Stolthaven Terminal Co. remains temporarily closed during the nine months ended August 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 received in September 2016.

For the nine months ended August 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 August 31, 2016, the Group had available committed short-term credit lines of $351.6 million. Long-term debt consists of debt collateralized by mortgages on the Group's ships, tank containers and terminals, as well as $560.3 million unsecured bond financing at August 31, 2016.

	For the Nine Months Ended	
	August 31, 2016	**August 31, 2015**
	(in thousands)	
Short-term bank loan additions (repayments), net	**$ 45,000**	$ (90,800)
Proceeds from issuance of long-term debt	**463,226**	491,886
Repayment of long-term debt	**(496,898)**	(222,377)

Proceeds from the issuance of debt for the nine months ended August 31, 2016 were $463.2 million.

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 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 3.6%. 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.

With the delivery of the first newbuilding, the *Stolt Pride*, the Group drew down $57.2 million on its first tranche under the $291.8 million term loan with Export and Import Bank of China and Standard Chartered Bank. The loan will be secured by the newbuilding and is repaid over its ten-year life. Interest has been fixed at 4.42% for the first tranche. The remaining four tranches will be drawn on delivery at a floating interest rate of six month LIBOR plus a margin of 2.25%.

The Group drew $110.0 million on its top-off facility with Danish Ship Finance A/S in the second and third quarters of 2016.

The Group also drew down $10.6 million (SGD 15 million) on a facility to finance the expansion of the Singapore terminal and $16.8 million on a facility with ANZ Bank.

The Group repaid $496.9 million of long-term debt during the nine months ended August 31, 2016. Included in this was a repayment of $300 million for the SNI01 bond and $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 Danish Ship Finance A/S 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 October 6, 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:

	August 31, 2016		November 30, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Loans and Receivables):				
Cash and cash equivalents	$ 75,055	$ 75,055	$ 77,545	$ 77,545
Restricted cash	89	89	68	68
Receivables	204,453	204,453	202,758	202,758
Other current assets	33,943	33,943	45,193	45,193
Available-for-sale Financial Assets (Fair Value):				
Equity instruments	45,416	45,416	59,632	59,632
Financial Liabilities (Amortised Cost):				
Accounts payables	68,485	68,485	65,167	65,167
Accrued expenses	214,941	214,941	234,700	234,700
Dividend payable	—	—	27,623	27,623
Short term bank loans	45,000	45,000	—	—
Long-term debt and finance leases including current maturities	1,879,699	2,004,038	1,775,599	1,900,355
Derivative Financial Instruments (Fair Value):				
Bunker hedge asset	2,296	2,296	—	—
Foreign exchange forward contracts liabilities	(54)	(54)	(1,609)	(1,609)
Bunker hedge liabilities	(588)	(588)	—	—
Interest rate swap liabilities	(10,421)	(10,421)	(10,212)	(10,212)
Cross-currency interest rate swap liabilities	(174,359)	(174,359)	(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 August 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 August 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 August 31, 2016 and November 30, 2015.

Long-term debt in the table above excludes debt issuance costs of $26.4 million and $24.3 million, respectively, and future finance charges on finance leases of approximately $0.1 million as of August 31, 2016 and November 30, 2015.

Derivatives

The Group has derivative assets of $2.3 million and nil and liabilities of $185.4 million and $327.8 million as of August 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 August 31, 2016 and November 30, 2015. There were no changes in the valuation techniques during the period.

In December of 2016, the Group began a bunker hedging program and entered into swaps for 164,000 million tons with initial expiration dates ranging from three to 24 months forward. The bunker contracts were marked-to-market through the Income Statement and a realised and unrealised gain of $4.0 million recorded for the nine months ended August 31, 2016.

10. Commitments and Contingencies

As of August 31, 2016 and November 30, 2015, the Group had total capital expenditure purchase commitments outstanding of approximately $884.4 million and $361.7 million, respectively. At August 31, 2016, the total purchase commitments consisted of acquisition of Jo Tankers discussed in Note 11 below, newbuilding contracts for four tankers, approximately 40 tank containers, new and existing terminal expansion projects and other smaller projects in the businesses. Of the $833.8 million of purchase commitments expected to be paid in the next year, $675.8 million of that amount has financing in place and the remaining $158.0 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 $128.9 million of purchase commitments, non-recourse to the Group, at August 31, 2016. These commitments primarily relate to $120.2 million for three parcel tankers at two joint ventures and terminal capital projects.

11. Acquisition of Jo Tankers

The Group announced on July 18, 2016 that it had agreed to acquire the chemical tanker operations of Jo Tankers. The transaction comprises 13 chemical tankers and a 50% share in a joint venture with eight newbuildings. The total purchase price is approximately $575.0 million, including the share of the progress payments on the newbuildings in the joint venture. Funding for the transaction has been secured through some of Stolt-Nielsen Limited's main banks with a combination of bridge financing, secured term loans and available corporate funds. The completion of this transaction is subject to competition authority approval.

The newbuildings included in the transaction consist of eight all stainless steel eco-friendly ships of 33,000 dwt on order from New Times Shipbuilding in China, the first of which was delivered in early July 2016. The seven remaining newbuildings are to be delivered in the second half of 2016 and in 2017 and have limited recourse financing in place.

12. Legal Proceedings

The Company incurred $0.2 million for legal proceedings in both of the nine months ended August 31, 2016 and 2015, 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.

13. 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 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.

14. 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 nine months ended August 31, 2015, which resulted in a decrease of the Employee benefit liabilities by $19.8 million.

15. Related Party Transactions

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

16. Subsequent Events

Permits for 37 tanks in Tianjin Lingang Stolthaven Terminal Co. were received in September of 2016. The other tank permits had previously been received.

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 nine months ended August 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.

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

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

London
October 6, 2016

Signed for and on behalf of the Board of Directors

Niels G. Stolt-Nielsen
Chief Executive Officer

Jan Chr. Engelhardtsen
Chief Financial Officer