ENHANCING EFFICIENCY

IMPROVING PROFITABILITY

Stolt-Nielsen Limited

ANNUAL REPORT 2015

ENHANCING EFFICIENCY

IMPROVING PROFITABILITY

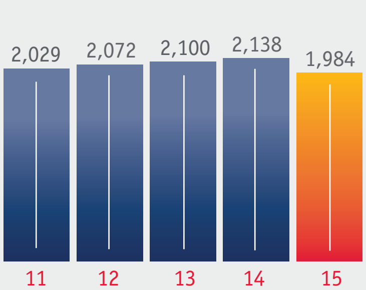
Stolt-Nielsen Limited (SNL) is a leading global provider of integrated transportation, storage and distribution solutions for chemicals and other bulk-liquid products, delivered through its three largest operating units: Stolt Tankers, Stolthaven Terminals and Stolt Tank Containers. Stolt Sea Farm is a leading producer of premium turbot, sole, sturgeon and caviar. Stolt-Nielsen Gas is developing supply-chain opportunities in the LNG space, and Stolt Bitumen Services is focused on the distribution of bitumen to growth markets in Asia Pacific.

Connect with us online to find out more
www.stolt-nielsen.com

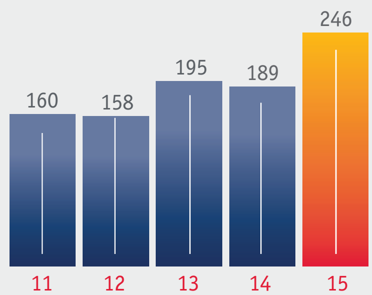
CONTENTS

IMPROVED RESULTS

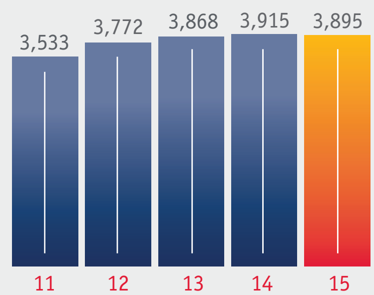
Operating Revenue (U.S. $ Millions)



Operating Profit (U.S. $ Millions)

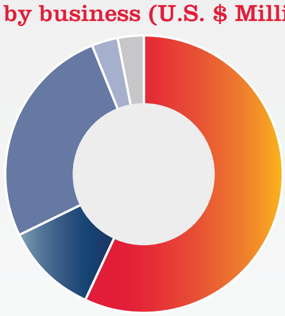


Assets (U.S. $ Millions)



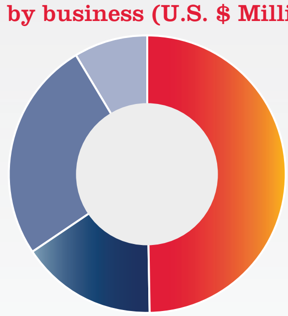
(in U.S. Millions, except per share data)	**2015**	2014	2013
Operating revenue	**$1,983.7**	$2,137.9	$2,099.5
Operating profit	**$246.2**	$188.6	$189.2
Net profit	**$133.1**	$78.1	$81.8
Net profit (loss) per share:			
Basic	**$2.36**	$1.33	$1.41
Diluted	**$2.36**	$1.33	$1.41
Weighted average number of Common shares and Common share equivalents outstanding:			
Basic	**56.1**	58.1	58.0
Diluted	**56.1**	58.1	58.1

2015 Operating Revenue by business (U.S. $ Millions)



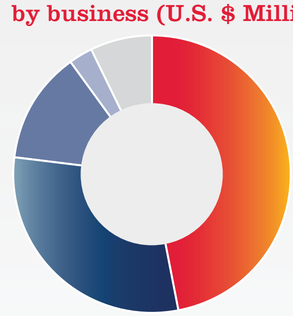
- Tankers: **1,137**
- Terminals: **217**
- Tank Containers: **510**
- Sea Farm: **57**
- Corporate and other: **62**

2015 Operating Profit by business (U.S. $ Millions)



- Tankers: **122**
- Terminals: **39**
- Tank Containers: **63**
- Sea Farm: **0**
- Corporate and other: **21**

2015 Assets by business (U.S. $ Millions)



- Tankers: **1,844**
- Terminals: **1,158**
- Tank Containers: **525**
- Sea Farm: **115**
- Corporate and other: **252**

FOCUSED ON PERFORMANCE

"2015 was Stolt-Nielsen Limited's best year since the onset of the global financial crisis in 2008."

Niels G. Stolt-Nielsen
Chief Executive Officer

2015 was Stolt-Nielsen Limited's best year since the onset of the global financial crisis in 2008. SNL reported a net profit of $133.1 million, up from $78.1 million in 2014, with earnings per share of $2.36, versus $1.33 in the prior year. Stolt Tankers delivered a solid performance, thanks mainly to lower bunker fuel costs. Stolthaven Terminals' results were disappointing. Even though the fundamentals in the terminal markets are healthy, our results have been affected by one-offs and delays in executing on our expansions. While results softened somewhat at Stolt Tank Containers last year due to market conditions, this business remains a steady performer. STC is the market leader in the door-to-door space, and we expect to continue to grow this business in both existing and emerging markets.

Despite the longest sustained downturn we have ever witnessed in our core markets, as of year-end 2015, SNL has delivered 48 consecutive profitable quarters and has been in compliance with all of its financial covenants since the start of the crisis. And while the downturn brought many in our industry to the brink of bankruptcy or beyond, we have continued to invest in all our businesses during this period, successfully strengthening and diversifying SNL, such that we now have more than one leg on which to stand.

Looking ahead in Tankers, there are three important factors to watch: volume, which is driven by global trade; tonnage and the impact of the newbuildings orderbook; and bunker prices. Stolt Tankers' performance in 2015 resulted from lower bunker fuel prices, as volume was essentially flat. In fact, except for a false start or two, volumes have failed to return to pre-2008 levels, as the growth in the global economy has been disappointing.

Many point a finger at softness in China and sustained weakness in Europe, not to mention the drop in commodity prices and the rapid strengthening of the U.S. dollar. Regardless, the outlook for 2016 does not look materially different. It's interesting to note that measures we traditionally have looked to for guidance now provide few insights. In 2015, we saw growth in global GDP of about 2.5%. Historically, we have seen a trade growth multiplier of 1.3-to-1.7 times growth in GDP, but that no longer seems to hold. All that said, there has been some evidence in late 2015 and early this year of strengthening volumes. I hope the trend will continue, but we will have to wait and see.

On the tonnage-supply side of the equation, the orderbook for stainless steel and coated ships in the IMO 2 chemical tanker space now stands at 30%, with stainless steel alone at 24% – all due for delivery in 2016 and 2017. Nearly 30% of these new ships are to be built in China. Given the poor financial condition of some of the Chinese yards, it is not at all clear that all the ships on order will be delivered. Delays and possibly some cancellations are likely. Also, much of the private-equity money that eagerly flooded into our space is now anxiously looking for an exit strategy, having realized that the chance of making a quick killing in the chemical tanker business is unlikely. Still, there's no denying that more ships competing for the same volume of cargo we saw last year will result in lower freight rates and increased competition. So, as with volumes, we must wait and see how the tonnage picture plays out, too.

As far as bunker fuel prices are concerned, we share the view that prices have likely bottomed out or nearly so. While we expect fuel prices to rise going forward, a rapid rebound is unlikely. To further mitigate the impact of unexpected swings in fuel costs, Stolt Tankers initiated a bunker hedging programme in early 2016, with the aim of fully hedging the division's bunker exposure not covered by bunker surcharge clauses in its Contracts of Affreightment.

Stolthaven Terminals' results for 2015 were disappointing. It is fair to say that, while focusing on the expansion of our terminal network through investments and acquisitions in recent years, we have not yet delivered on the implementation and integration of the new capacity. We have a new management team in place, which I am confident will bring all the expansions online and raise utilisation to where it should be.

At Stolt Tank Containers, while results for 2015 reflected the effects of lower volumes and increased price competition, this is a solid, well managed business that is continually taking actions to strengthen its position. Our focus is on growing the business by acquiring new tank containers, expanding our depot network in strategic locations, and further developing systems that will make us even more competitive.

> "Looking ahead in Tankers, there are three important factors to watch: volume, which is driven by global trade; tonnage and the impact of the newbuildings orderbook; and bunker prices."

Stolt Tankers

Stolt Tankers reported an operating profit of $122.2 million, the third consecutive year of improvement and up substantially from $35.3 million in 2014. Lower bunker fuel costs had a significant positive impact. The average price of intermediate fuel oil (IFO) and low sulfur fuel (LSF) consumed in 2015 was $336 per ton, down from $607 per ton in 2014. The total volume of deep-sea cargo carried was actually down slightly for the year, with an 8.2% decrease in contract volumes largely offset by a 19.3% increase in spot volumes. Contract rates slipped by 2.3% and spot rates were down by 6.1%, reflecting the impact of the lower fuel costs.

In late 2014, Stolt Tankers launched a reorganisation of its management and operations that was implemented in 2015. The focus of this effort is aimed at optimising the use of our assets, enhancing margins by better cost management, and continuous improvement in both customer service and safety performance. I am pleased to say we made progress on all fronts in 2015.

What differentiates Stolt Tankers from its competitors in the eyes of our customers is quality, reliability and flexibility (QRF). Quality means operating a fleet manned by experienced and well trained crews, with ships that meet regulatory requirements and customer vettings, while handling cargo safely and professionally. Reliability means arriving on time for loading and delivering the cargo to its destination within the agreed-upon time period. Flexibility means having a large fleet that gives customers options to fit the demands of their supply chains, including unexpected delays in product readiness for shipment. Our QRF is why we are the preferred supplier of our customers.

Please see page 10 for more information on Stolt Tankers

Stolthaven Terminals

Stolthaven Terminals reported an operating profit of $38.9 million, down from $64.7 million in 2014. Excluding one-time negative adjustments of $5.0 million in 2015, and one-time positive adjustments of $11.8 million in 2014, Stolthaven's 2015 operating profit was down by $9.1 million. The decrease was mainly attributable to higher maintenance expenses at Stolthaven Houston, higher depreciation from added capacity, and accelerated depreciation of certain assets at the division's terminals in Australasia.

The total combined storage capacity at Stolthaven's wholly owned terminals and joint venture terminals increased to 4.5 million cbm from 4.4 million cbm in 2014. Total capacity for Stolthaven's wholly owned terminals increased by 7.2% to 1.61 million cbm in 2015, after rising by 22.2% in 2014, as Stolthaven's expansion initiative wound down. Singapore, Houston, Stolthaven Australia and Moerdijk all added capacity in 2015. Among our joint venture terminals, capacity additions were completed in Antwerp, Ulsan and Westport.

While the storage business remains a good one, our results are obviously a disappointment. That said, I am confident that the new management team now in place at Stolthaven will deliver on the investments we have made in this business – though it is costing more than we anticipated, and taking longer to fill the storage we acquired and built. So utilisation is not where it should be, having edged downward to 86.8% from 87.8% in 2014. Turning that around will be a focus of efforts in 2016. While we have added significant capacity to our flagship wholly owned terminal in Houston in recent years, we are now in the process of bringing that facility up to 21st century standards, in terms

For more on actions underway at Stolthaven Terminals, please see page 16

> "STC is the market leader in the door-to-door space, and we expect to continue to grow this business in both existing and emerging markets."

of infrastructure, automation and efficiency. We expanded our barge dock in 2015, doubling our capacity, and are in the process of adding a new dock that will enable us to handle more ships and more volume at the same time, while also allowing us to add new capacity at the terminal. The impact of these ongoing improvements will take some time to unfold, but we will get there.

Our New Orleans terminal is also in come-back mode, after having invested $20 million to build a wall around the entire terminal to protect against hurricane-strength storm surges in the future. While it has taken longer than expected to bring customers back after Hurricane Isaac flooded this facility in 2012, the interest is there, but it is simply taking time.

Stolt Tank Containers

Stolt Tank Containers reported an operating profit of $63.3 million, down from $70.1 million in 2014. The decrease resulted mainly from a decline in total shipments, which fell by 1.0% to 116,719 in 2015, as volumes on global trade lanes slowed, just as we have observed in Stolt Tankers. While shipments slipped, the number of tanks in STC's fleet rose 3.2% to 35,369, which drove utilisation down to 70%.

The fact is, we are seeing less volume moving on major global trade lanes by our long-term customers, who are the leading players in the industry. Along with those lower volumes, we are also seeing increased competition in the tank-container industry itself, which is inevitably putting pressure on margins. On the other hand, we are witnessing an expanding universe of smaller producers, who are manufacturing a greater number of products, and shipping those products to more and more destinations worldwide. This business continues to evolve and more importantly grow, so the outlook remains good for an operator with STC's scale and competitive advantages. Increased volume is key, and here again that depends on the strength of the global economy and trade.

With competition in the tank-container industry increasing, the ability to deliver added value to customers is a key differentiator for Stolt Tank Containers. In 2015, mySTCtanks.com celebrated its second year. This fully customisable online platform helps customers better manage their supply chains when working with STC, providing analytical tools that deliver actionable insights to drive supply-chain improvements and help reduce costs. With mySTCtanks.com, STC constructively partners with its customers to create value and an enhanced experience.

STC's global depot network – another key competitive advantage – also continued to grow in 2015. No other major tank container operator has its own depot network, a value-added feature that gives customers the confidence of knowing that STC's tanks are reliably checked, maintained and cleaned to STC's exacting standards and in a manner that is safe for people and the environment. During 2015, STC added new facilities in Moerdijk, the Netherlands; Zhangjiagang, China; Mumbai, India; and Kandla, India, in addition to a joint venture with KTS, which operates three depots in Saudi Arabia.

While 2015 was not Stolt Tank Containers' best year, and continued pressure on margins is likely, our presence in this market is strong and our objective is to grow the business.

Stolt Sea Farm

Stolt Sea Farm reported an operating profit of $0.4 million, versus an operating loss of $1.4 million in 2014, as the adjustment in the fair value of inventories resulted in a $1.3 million decrease in operating profit for 2015, compared with a $4.3 million decrease in 2014. SSF's operating results for 2015 also reflected increased depreciation of $1.3 million, related to the first full year of operations at the division's sole farm in Iceland. While turbot volumes were down for the year, average prices increased by 4.5%. Sole volume surged, reflecting the first full year of production in Iceland. Caviar volume was down, while prices held steady. Results for the year also reflected the impact on revenue of the strong US dollar versus the euro, as SSF's key markets are in Europe.

Despite production issues early in the year at SSF's new sole farm in Iceland, SSF sold 534 tonnes of sole in 2015, up from 301 tonnes in 2014, including production from the division's research and development farm in Anglet, France. As expansion plans are implemented in both Iceland and Spain, SSF hopes to increase annual sole production to approximately 5,000 tonnes, which would rival its current production of turbot.

Stolt-Nielsen Gas

We have had a number of questions from shareholders and investors about Stolt-Nielsen Gas, specifically our strategy and our plans for this business. We created Stolt-Nielsen Gas in 2007 to invest in opportunities we anticipated in the LPG transportation market. This led to the formation of Avance Gas Holding Limited (AGHL) in 2010, which is now publicly listed on the Oslo Stock Exchange (AVANCE). Avance Gas operates a fleet of 14 modern very large gas carriers (VLGCs) in the global market for the transportation of liquefied petroleum gas (LPG). Stolt Nielsen Gas owns 7.2% of Avance Gas, with a current market capitalisation of approximately $269 million at the time of writing. During 2015, Avance Gas was added to the Oslo Børs Benchmark Index, which comprises the most liquid stocks on the Oslo Stock Exchange.

For more on STC's actions to enhance efficiency and profitability, please see page 20

Please see page 24 for more information on Stolt Sea Farm

Since our initial investment in Avance Gas, SNG's strategy has evolved and we are now focused on the development of growth opportunities in the liquid natural gas (LNG) space. Demand for LNG is growing worldwide, as a lower cost and cleaner burning alternative to fuel oils. Our goal is to focus on the development of small-scale LNG supply chains, by applying Stolt-Nielsen's logistics expertise in shipping, storage and distribution, in partnership with LNG providers and others. A substantial majority of the LNG distribution projects launched to date involve deliveries of between two and five million tons of LNG a year and the deployment of large ships. Unfortunately, for customers – both communities and industries – seeking volumes of less than 100,000 tons, there are no existing infrastructure solutions. This is the segment we are targeting.

Beneath the Stolt-Nielsen Gas umbrella, Stolt-Nielsen LNG Holdings Ltd. has investments in Stolt LNGaz (50% ownership) and HIGAS S.r.L. (10% ownership, with an option for 80%). Stolt LNGaz was created to provide LNG to remote mining communities in Canada, as a cleaner, lower cost replacement for fuel oil and diesel fuel. As a result of falling commodity prices, the mining firms have suspended major capital expenditures and the decision to switch to LNG has been postponed but not terminated.

The opportunity with HIGAS fits more tightly with our evolving strategy, which involves the application of our logistics strengths to situations that we refer to as "stranded demand". HIGAS's plan is to provide Sardinia, which has among the highest energy costs in Europe, with supplies of LNG. Stolt would provide a complete logistical solution, sourcing the LNG itself, shipping it on 7,500 cbm LNG tankers to small LNG terminals on the island, and distributing it via dedicated LNG trucks or via tank containers loaded on trucks. We are excited about the HIGAS opportunity, which would serve as an important proof-of-concept exercise, helping to advance additional discussions we are having regarding similar projects elsewhere in the world.

Similarly, we have taken a 2.3% stake in Golar LNG Limited (NASDAQ: GLNG). Golar developed the first floating storage and regasification units (FSRU), based on conversions of existing LNG carriers, and more recently moved upstream with the introduction of its floating liquefaction project (GoFLNG). These capabilities, combined with Stolt-Nielsen's core competencies, open the door to opportunities to distribute LNG to large numbers of communities and industries that lack access to LNG pipelines.

Stolt Bitumen Services

Stolt Bitumen Services (SBS) made continued progress in 2015, increasing its distribution volume by 26% to 97,000 tons. SBS now operates four bitumen terminals, one in Long An, South Vietnam and three in Java, Indonesia. The division's two asphalt tankers – M/T *Stolt Kilauea* (3,500 dwt) and M/T *Stolt Fuji* (5,900 dwt) – are both on long-term time charter. SBS's long-term strategy is to capitalise on rising demand for asphalt, being driven by infrastructure development throughout Southeast Asia, with a goal of expanding its terminal network to 10-to-12 facilities, while also exploring expansion opportunities in other emerging markets.

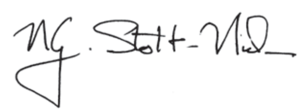
Dividend and Employee Incentive Plans

On December 11, 2015, Stolt-Nielsen Limited paid an interim dividend of $0.50 per Common share to shareholders of record as of November 26, 2015. A final dividend of $0.50 per Common share was recommended by the Board of Directors on February 11, 2016, subject to the approval of Shareholders at the Company's Annual General Meeting on April 21, 2016.

Stolt-Nielsen Limited compensates its employees competitively and fairly through salaries, short-term incentive plans (profit sharing), and long-term incentive plans that consist of cash rewards and benefits. We continuously compare our packages with salary surveys and, when possible, with industry-specific surveys. For 2015, the employee profit-sharing and performance incentive plans for SNL made payments of $16 million in early 2016.

2015 saw the passing of Stolt-Nielsen Limited's founder Jacob Stolt-Nielsen in February, followed by Chairman of the Board Christer Olsson in December. Leadership of such calibre is sorely missed and cannot be duplicated, but it endures as the yardstick against which we measure the success of our own labours.

The rest of 2016 looks to be an interesting year. While we are cautiously optimistic about the prospects for all our businesses, we will continue to manage as we have in the past: conservatively and as intelligently as we can, leveraging our core business knowledge and experience, not to mention the talent of the people who populate SNL and its businesses worldwide.



Niels G. Stolt-Nielsen
Chief Executive Officer
Stolt-Nielsen Limited

March 9, 2016

Please see page 27 for more information on Stolt-Nielsen Gas

Please see page 26 for more information on Stolt Bitumen Services

OUR BUSINESS AT A GLANCE

Stolt-Nielsen Limited (SNL) is a leading global provider of integrated transportation, storage and distribution solutions for chemicals and other bulk-liquid products, delivered through its three largest operating units: Stolt Tankers, Stolthaven Terminals and Stolt Tank Containers.

STOLT TANKERS

Stolt Tankers (ST) is the world's largest operator of sophisticated chemical tankers, providing safe, high quality transportation services for bulk-liquid chemicals, edible oils, acids and clean petroleum products.

Benchmarks

60

Deep-sea chemical tankers

84

Coastal and inland tankers

19

Million tons carried

Please see page 10
for more details

STOLTHAVEN TERMINALS

Stolthaven Terminals is a global provider of safe, high quality storage services for bulk-liquid chemicals, edible oils, acids and clean petroleum products.

Benchmarks

4.5

Million cubic metres of storage capacity

20

Owned and joint-venture terminals

44

Million tons handled

Please see page 16
for more details

STOLT TANK CONTAINERS

Stolt Tank Containers (STC) is the world's leading provider of door-to-door transportation services for bulk-liquid chemicals and food-grade products.

Benchmarks

35,000+

Tank containers in the fleet

19

Owned and joint-venture depots

116,720

Shipments in 2015

Please see page 20
for more details

Stolt Sea Farm is a leading producer of premium turbot, sole, sturgeon and caviar. Stolt Bitumen Services is focused on bitumen distribution in fast-growing markets in Asia Pacific and Stolt-Nielsen Gas is developing opportunities in LNG transportation and distribution.

STOLT SEA FARM

Stolt Sea Farm (SSF) is a leading high-tech aquaculture company focused on the on-shore production of premium fish species whose complex biologies require sophisticated know-how and technological expertise for successful cultivation.

Benchmarks

15
Environmentally friendly land-based farms

5,400
Tonnes production capacity of turbot

850
Tonnes production capacity of sole

10
Tonnes capacity of caviar

Please see page 24 for more details

STOLT BITUMEN SERVICES

Stolt Bitumen Services is developing a bitumen distribution network to meet infrastructure demand in fast growing Asia Pacific markets.

Benchmarks

24,500
Distribution capacity (cbm)

4
Bitumen terminals

2
Bitumen tankers

Please see page 26 for more details

STOLT-NIELSEN GAS

Stolt-Nielsen Gas focuses on opportunities in the LNG space, mainly the development of small-scale LNG supply chains serving “stranded demand”, where off-the-grid customers lack access to LNG pipelines.

Benchmarks

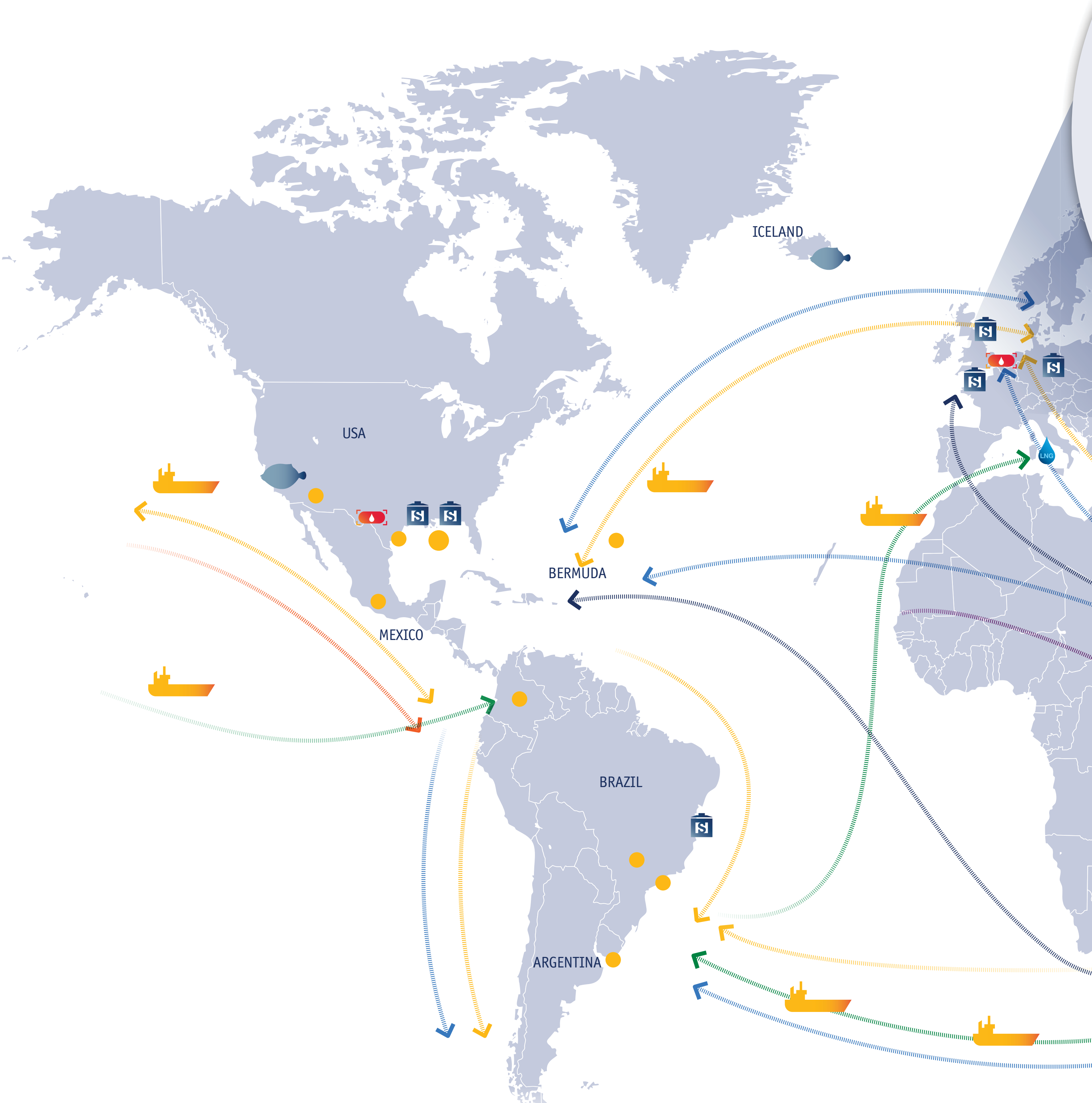
50/50
Joint venture with Golar LNG Limited

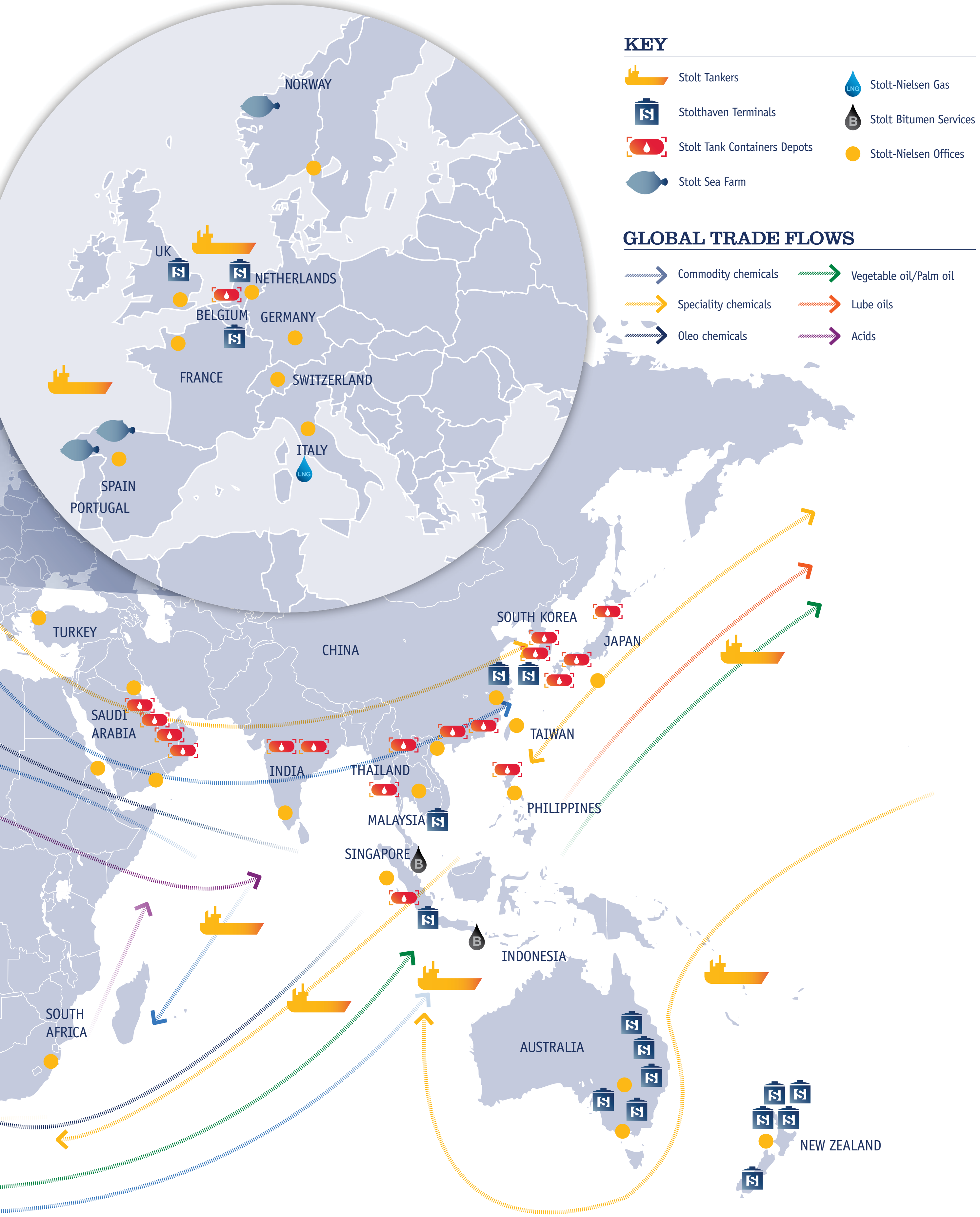
10%
Ownership (option for 80%) in HIGAS S.r.L.

50%
Ownership in LNGaz

Please see page 27 for more details

GLOBAL REACH TO CONNECT MARKETS




KEY
Stolt Tankers
Stolthaven Terminals
Stolt Tank Containers Depots
Stolt Sea Farm
Stolt-Nielsen Gas
Stolt Bitumen Services
Stolt-Nielsen Offices
GLOBAL TRADE FLOWS
Commodity chemicals
Speciality chemicals
Oleo chemicals
Vegetable oil/Palm oil
Lube oils
Acids
NORWAY
UK
NETHERLANDS
BELGIUM
GERMANY
FRANCE
SWITZERLAND
ITALY
SPAIN
PORTUGAL
TURKEY
CHINA
SOUTH KOREA
JAPAN
SAUDI ARABIA
TAIWAN
INDIA
THAILAND
PHILIPPINES
MALAYSIA
SINGAPORE
INDONESIA
SOUTH AFRICA
AUSTRALIA
NEW ZEALAND

STOLT TANKERS

Stolt Tankers operates one of the world's largest and most sophisticated global fleets of deep-sea, regional, coastal and inland parcel tankers, providing safe, reliable, high quality transportation services to the world's leading manufacturers of chemicals and other bulk liquids.

DEEP SEA PARCEL TANKERS

60

COASTAL AND INLAND TANKERS

84

PERFORMANCE

(U.S. $ Millions)	2015	2014	2013
Operating revenue	$1,137	$1,260	$1,266
Operating profit	$122	$35	$27

MARKETS

- Provides the world's leading manufacturers and consumers of bulk-liquid chemicals, edible oils, acids and clean petroleum products with safe, reliable, high quality and flexible transportation services
- Delivers global deep-sea services and integrated regional services in Europe, Asia Pacific, the Indian Ocean, the Caribbean and the U.S.

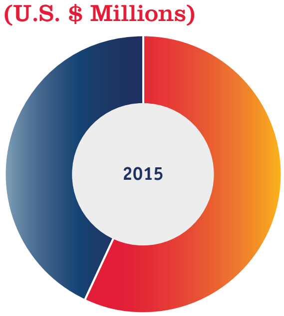
STRATEGY

Stolt Tankers outperforms by working collaboratively with its contract customers to enhance supply-chain efficiency, while optimising asset management, prudently managing costs, making use of the latest technology, and operating in a manner that is safe for people and the environment.

OUTLOOK

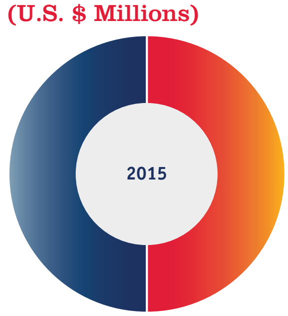
Stolt Tankers is focused on increasing efficiency, managing costs, and optimising operations – all while continuing to deliver superior service to customers and ensuring safety for people and the environment.

Operating Revenue (U.S. $ Millions)



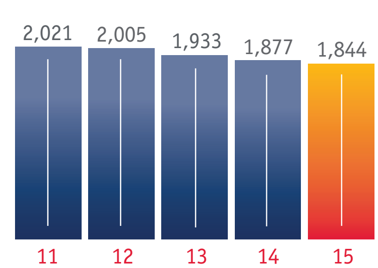
Stolt Tankers: **57%**
Rest of Group: **43%**

Operating Profit (U.S. $ Millions)



Stolt Tankers: **50%**
Rest of Group: **50%**

Assets (U.S. $ Millions)



2015 PERFORMANCE REVIEW

Stolt Tankers: Adapting for performance in a dynamic environment

Stolt Tankers (ST) operates the world's largest and most sophisticated fleet of chemical and parcel tankers. ST's assets are deployed globally, with 60 deep-sea ships that are seamlessly integrated with regional fleets in Europe, Asia and the Caribbean; with coastal fleets in Asia; and with inland barging services in Europe and the U.S. Gulf. This unrivalled coverage not only gives customers access to the quality and reliability for which Stolt Tankers is well known, but also the flexibility to adjust to the often-changing demands of dynamic global supply chains. With global manufacturing weak overall and pressure on bottom lines throughout the industry, efficiency is a focus for both ST and its customers. By leveraging synergies with Stolthaven Terminals and Stolt Tank Containers, ST increasingly works collaboratively with its customers to create unique, integrated transportation and storage solutions for the world's premier manufacturers and users of chemicals and other bulk liquids.

Highlights for 2015

2015 was Stolt Tankers' best year since 2008, thanks mainly to lower bunker fuel prices. The deep-sea fleet reported a decrease in contract of affreightment (COA) volumes that was largely offset by higher spot volumes. Rates, however, were down, decreasing by 3.5% on a combined COA/spot basis. Deep-sea operating days were down slightly and utilisation was flat in 2015. Total bunker expense (deep-sea) decreased by 41%, or $131.4 million, in 2015, though a substantial portion of those savings was shared with customers.

During 2015, following an extensive business-process review and customer survey, Stolt Tankers implemented a major reorganisation of its operations, aimed at addressing the changing dynamics of the bulk-liquid transportation markets it serves. Major factors addressed included speculative investment in new tonnage by private equity investors and other relatively short-term investors, the impact of shale oil and gas production in the U.S., slowing growth in China, increasing downstream production in the Middle East and prolonged economic weakness in Europe. The reorganisation focused on four main goals aimed at increasing ST's performance: (1) optimisation of asset use; (2) improved customer service; (3) better use of information technology to drive better decision making; and (4) continuous improvement in operational and safety performance. The reorganisation, and actions associated with it, took place in concert with the relocation of Stolt Tankers' offices in Norwalk to Houston, where ST is now co-located along with Stolt Tank Containers' world headquarters and our largest wholly owned bulk-liquid terminal. Stolt Tankers expects to benefit from these important changes as they are implemented and take effect over time.

Stolt Tankers and its joint venture partners have 10 newbuildings under construction: six 38,000 dwt parcel tankers in China, and four 12,500 dwt chemical tankers in Japan. The ships – due for delivery in 2016 and 2017 – are being built under the watchful eyes of Stolt Tankers' site teams to ensure quality throughout. The ships will serve as replacement tonnage for vessels being recycled.

Outlook

The outlook for the global economy and world trade remains volatile and uncertain. Given the large stainless steel orderbook for new buildings to be delivered in 2016-17, managing smarter has become more important than ever. From an asset perspective, Stolt Tankers is well positioned to serve the demanding needs of its global customer base, thanks to cost-effective investments in newbuildings and high quality used tonnage in the wake of the global financial crisis. In addition, recent actions to reorganise its management and operations will enable Stolt Tankers to operate more efficiently, more competitively and more profitably, while delivering even better service to its customers, regardless of market conditions.

Mark Martecchini
President
Stolt Tankers

OPTIMISING STOLT TANKERS

"In challenging times, managing smarter becomes more important than ever."

Mark Martecchini
President
Stolt Tankers

Q. Last year Stolt Tankers had its best year since the onset of the global financial crisis, thanks mainly to lower fuel prices. While that is good news, the freight market itself has yet to rebound to pre-2008 levels. There's obviously nothing you can do about the world economy. But what are you doing to make Stolt Tankers as a company more competitive and more profitable?

A. Our business is driven by the strength of the global economy overall, and by manufacturing in particular. When the global economy is strong, when the world's factories are humming, that's when the demand for chemicals is strongest, and that's when demand for our tankers is greatest. Thanks to decisions to secure our long-term financing prior to the crisis, Stolt came through the collapse in far better financial condition than our competitors. That enabled us to capitalise on opportunities created during the downturn. Since 2008, while our competitors struggled, we have acquired 39 ships, consisting of 14 newbuildings, 10 previously chartered ships acquired through the exercise of purchase options, and 15 second-hand ships that meet our standards for quality and sophistications. Additionally, we have 10 newbuildings under construction due for delivery in 2016 and 2017. But as the downturn dragged on, it became increasingly clear that the market was facing a new reality, and that we needed to recalibrate the business accordingly.

Q. What actions have you taken?

A. In late 2014, we announced a major reorganisation of our deep-sea tanker business. That reorganisation has three goals: improve our operating results, enhance service to our customers and increase our competitive advantage. To achieve these goals, we are focusing on four key strategies: optimising fleet deployment and development; reducing costs and increasing efficiency and improving service to customers; and delivering top performance by focusing on QRF (Quality, Reliability & Flexibility) and, above all, of course, safety.

Q. You speak of optimising your deep-sea tonnage. How are you doing that?

A. In the past, we had three services that revolved around trading areas: Indian Ocean, Pacific Ocean and Atlantic Ocean. That approach has been superseded by an asset-based structure in which our sophisticated parcel tankers and our simpler chemical tankers are separately managed. Why? Stolt Tankers is the leading operator of "super segregators", meaning complex ships with upwards of 40 segregations. These are ships that we design, build and tailor specifically to our niche market and the customers we serve. These sophisticated tankers allow customers to ship smaller parcels more frequently, thus maintaining less inventory and reducing working capital. A single team manages these assets globally. That allows us to focus on optimising capacity utilisation, while also being able to offer customers more flexible options, by moving ships around depending on customer commitments, demand and market conditions. By the way, roughly 75% of our parcel tanker business is COA (contract of affreightment) business. These customers aren't shopping around every time they have a cargo to ship. They made a decision to sign a contract with Stolt because they know that working collaboratively with us helps them to improve their supply-chain efficiency and reduce their costs. So the changes we have made to optimise the use of our assets are paying off for both Stolt and our customers.

Stolt Tankers currently has six 38,000 dwt all stainless parcel tanker newbuildings under construction in China.

Q. What about the chemical tanker fleet?

A. Our chemical tanker fleet is composed of simpler ships that operate on tradelanes where there are fewer small parcels. Ships like these are operated by a number of players, so this segment of the business is more competitive. That said, two important things differentiate Stolt Tankers from the competition. Our tank cleaning expertise, which means we can go from any cargo to any cargo, and our scheduling. Our approach in this space is to operate scheduled triangular trades that are more reliable than the competitive offerings. The value of that, as perceived by customers, is underscored by the fact that about 65% of our chemical tanker business is contract business. Here, too, flexibility is key. By managing our chemical tanker fleet separately, we can easily add, subtract or move tonnage around in response to the changing dynamics of the marketplace.

By the way, separately managing our assets also gives us opportunities to better manage operating costs, because those costs – everything from manning to fuel to new equipment to port rotations and even newbuildings – are now strictly aligned with each of the fleets.

Q. You mentioned information technology. How are you leveraging IT?

A. Among shipping companies, Stolt Tankers was an early adopter of IT across multiple business functions, from operations to HR. In fact, early on, when off-the-shelf systems were less common, we designed and built some of our own tools. And when IMOS (Integrated Maritime Operations System) and BASSnet (Fleet Management System) came along, we were among the first major implementers. And we have played a key role in steering the ongoing development of these tools to meet our specific requirements. These two systems enable us to capture and store tremendous amounts of detailed data, from revenues, volumes and costs to port rotation details, fuel consumption, ship operating costs and so on. Our focus now is on leveraging this data to support fact-based decision making. And that's being done through the development of custom-built tools for margin analysis, port-time analysis and fuel efficiency, to name a few. The result is knowledge that is driving significant changes to improve the efficiency and profitability of our business.

Q. What drove this process overall?

A. The reorganisation was a direct result of an extensive Business Process Review, combined with an in-depth Customer Survey. What we learned, basically, is that while our assets have not changed, the ways in which we manage and market those assets in service to our customers must change.

Q. What did you learn from the Customer Survey?

A. What we learned is that our customer service process was not well organised. We received good marks on reliability, but in some areas of customer communication, follow up and interaction, we were coming up short, from the customer's point of view. Then we went back and took a really hard look at the customer interface and, as a result of that effort, revamped the entire process. We will be conducting a follow-up survey later this year, but the anecdotal feedback to date has been very positive.

Q. And safety?

A. Safety for people and the environment is the number-one priority of Stolt-Nielsen Limited. Oversight for safety, health, environment, and quality (SHEQ) was elevated to the Corporate level in 2013 and Stolt Tankers is now part of an integrated, global and informed approach to continuous improvement in safety.

Q. So what has been the impact of all this?

A. While it's hard to put numbers to this, we conservatively estimate, for example, that we have achieved savings in manning, M&R (maintenance & repair) and technical costs of about 6%, with no loss in quality. But that's only part of the total picture. We're striving for continuous improvement in safety performance. We're looking to improve customer service. We expect savings from enhanced fleet deployment. Our ultimate goal is to "market-proof" Stolt Tankers; to achieve sustainable returns over the entire shipping cycle. And that's the direction we are going.

STOLTHAVEN TERMINALS

Stolthaven's global network of terminals provides high quality storage and distribution services to customers worldwide. Our state-of-the-art terminals complement the capabilities of both Stolt Tankers and Stolt Tank Containers.

STORAGE CAPACITY (CBM)

4.5m

TERMINALS

20

PERFORMANCE

(U.S. $ Millions)	2015	2014	2013
Operating revenue	$217	$214	$198
Operating profit	$39	$65	$78

MARKETS

Provides manufacturers, distributors and users of chemicals, clean petroleum products and gas with safe storage and efficient, high-quality handling in key markets worldwide.

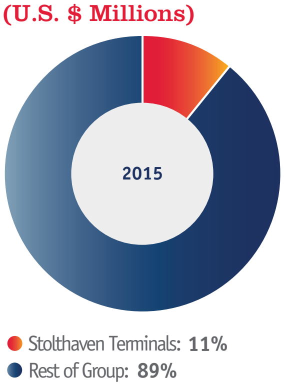
STRATEGY

Drive operational improvements across the entire network, while working synergistically with both Stolt Tankers and Stolt Tank Containers as warranted to provide customers with integrated solutions that improve their supply-chain efficiency.

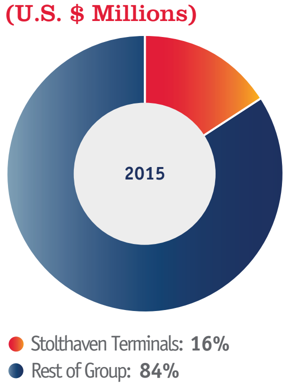
OUTLOOK

Stolthaven's results are expected to improve in 2016, driven by systematic actions and process improvements to enhance operational performance and profitability across the division's global network of terminals.

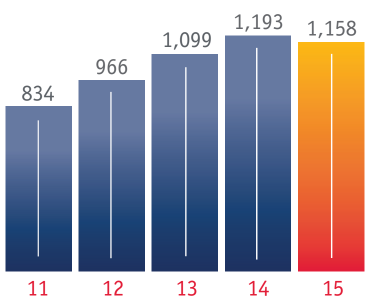
Operating Revenue (U.S. $ Millions)



Operating Profit (U.S. $ Millions)



Assets (U.S. $ Millions)



2015 PERFORMANCE REVIEW

Stolthaven Terminals: Focused on performance and sustainable profitability

Stolthaven Terminals operates a global network of 20 owned and joint venture bulk-liquid terminals, providing safe, efficient, high quality storage to customers worldwide.

Highlights for 2015

For Stolthaven Terminals, 2015 was a year dedicated to improving long-term operational performance and profitability, while renewing our focus on customer satisfaction and service worldwide. Less-than-robust economic conditions, combined with efforts to improve performance, particularly at the division's Houston terminal, made for a challenging year. While revenue rose to $217.4 million from $214.0 million in 2014, the increase was mainly attributable to higher capacity. Operating income decreased to $38.9 million from $64.7 million in 2014, reflecting a one-time item in 2015, combined with the impact of lower utilisation and higher operating costs.

Total storage capacity at Stolthaven's global network of terminals rose to 4.5 million cbm, up from 4.4 million in 2014. Total storage capacity at Stolthaven's wholly owned terminals increased by 2.1% to 1.6 million cbm, reflecting expansions in Dagenham (20,800 cbm), Moerdijk (10,630 cbm) and Singapore (2,500 cbm). Capacity expansions at Stolthaven's joint venture terminals included Antwerp, Belgium (30,100 cbm); Ulsan, South Korea (25,000 cbm); and Westport, Malaysia (7,250 cbm).

Following the explosion in the Port of Tianjin in August 2015, the division's joint venture terminal in nearby Lingang was temporarily closed and is awaiting the renewal of permits from the Chinese government.

Outlook

Despite the uncertainty in the global economic outlook, Stolthaven is fundamentally well positioned in a market with solid fundamentals of its own. The division has assets in key shipping hubs: the U.S. Gulf, the ARA (Amsterdam-Rotterdam-Antwerp) region of Europe, Singapore and South Korea. Non-hub locations add further value and geographic penetration to the network. Efforts to enhance Stolthaven's global cost structure and improve operating efficiency should contribute to improved performance and operating results in 2016 and beyond.

Guy Bessant
President
Stolthaven Terminals

STOLTHAVEN TERMINALS

"2015 was a year dedicated to improving long-term operational performance and sustainable profitability, while renewing our focus on customer satisfaction and service worldwide."

Guy Bessant
President
Stolthaven Terminals

Q. Stolthaven's 2015 results were described as "disappointing" this year. What created this situation and what is being done to improve performance?

A. Between 2004 and 2015, Stolthaven Terminals expanded dramatically, growing from five terminals with a total capacity of less than a million cubic metres (cbm), to a global network of 20 terminals with a total capacity of 4.5 million cbm, and representing an investment in excess of $1.0 billion.
Our focus during that period was on growth – and we succeeded, despite the impact of the global financial crisis. We are now in all of the world's key shipping hubs: the U.S. Gulf, the ARA region of Europe, Singapore and South Korea. The good news is, our network is substantially larger and the fundamentals of the global storage market remain solid.
In addition, from a diversification standpoint, Stolthaven is now large enough that it gives Stolt-Nielsen Limited another strong leg on which to stand, and that is another important positive. But in focusing on growth, we clearly took our eye off the ball in certain other respects. The challenge now is to create a tightly integrated network that performs uniformly to Stolt's high standards for safety, quality and customer service, while earning a fair return for our shareholders.

Q. What specifically are you doing to get things on track?

A. The focus is on integrating our new terminals and getting back to basics – as we at Stolthaven define them. Integration means having a global network of Stolthaven-owned terminals, rather than just a collection of terminals around the world that bear the Stolthaven name. Getting back to basics is about improving communication and alignment on goals across the organisation worldwide. It's about implementing master plans for operational excellence, asset maintenance, safety, compliance and training – again, across the entire organisation. It's about putting customers first and making sure that we have strong lines of communication with those customers, new and old.
It's about making sure we are executing the fundamentals – safely, consistently, efficiently, cost effectively, profitably and to the satisfaction of our customers.

Q. References have been made a number of times this year to increased costs and investments being made at Stolthaven Houston. Can you explain?

A. We have added 103,300 cbm of new storage at our Houston terminal in recent years, and just completed an expansion of our barge dock, so that it can accommodate two barges simultaneously. We are now finalising plans for a new ship dock, which will enable the terminal to handle three ships simultaneously. The new dock is key, because it will both reduce waiting times at the terminal, while also allowing us to add significant new storage capacity on currently undeveloped property. Improving the ship-to-shore interface is among our key objectives, since our ability to load and discharge ships safely, efficiently and quickly has long been a hallmark of this terminal, not to mention a significant competitive advantage in Houston, where congestion has become a big issue.
We are now focusing on performance upgrades, which need to be made as any terminal ages. As a result, last year a new management team began an intensive effort aimed at enhancing the infrastructure of the terminal, increasing automation, focusing on safety best practice, and lowering our operating costs – all of which will help drive increased profitability in the future. It's going to take some time and some investment to make it happen, but we are well on our way.

Q. You mentioned automation. What are we talking about here?

A. The vast majority of the world's terminals are manual and therefore somewhat labour intensive. If you want to open a valve to a tank, an operator has to go out and physically move that valve. We are now in the midst of automating Stolthaven Houston, for two reasons. First, it will lower our operating costs and, second, because automation has been shown to have a positive impact on quality and safety. We completed construction of a new control room last year and are now gradually transitioning to more automated operations, meaning that critical pumps and both tank and ship dock valves will be operated remotely. Gauging of tanks will also be automatic. This will allow us to operate more efficiently and safely, while at the same time loading and discharging more ships faster and at the same time. Farther down the road, it will mean savings in staffing, too. So these investments will have a long-term impact.

Q. When do you expect the impact of these actions to be evident in Stolthaven's results?

A. Some improvement is anticipated in 2016, though 2017 is the year that we expect to see a significantly more meaningful impact from the actions and investments now underway, as well as those planned. The goal is to build a fundamentally more sustainable business for the long-term benefit of shareholders, customers and employees. And while that will take some time, we are confident of the ultimate outcome.

STOLT TANK CONTAINERS

Stolt Tank Containers (STC) is the world's leading provider of door-to-door transportation services for bulk-liquid chemicals and food-grade products.

CONTAINER FLEET

35,000+

SHIPMENTS

116,720

PERFORMANCE

(U.S. $ Millions)	**2015**	2014	2013
Operating revenue	**$510**	$540	$533
Operating profit	**$63**	$70	$73

MARKETS

Users and manufacturers of chemicals and food-grade bulk liquids who demand reliability, safety and quality, delivered efficiently and cost effectively.

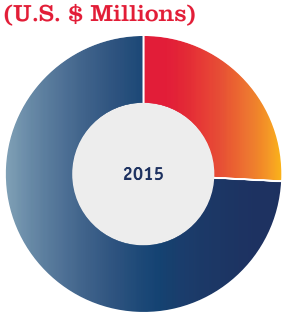
STRATEGY

Continue to expand into new geographic markets in Asia, the Middle East, India and South America, while strengthening the division's competitive advantages in existing markets.

OUTLOOK

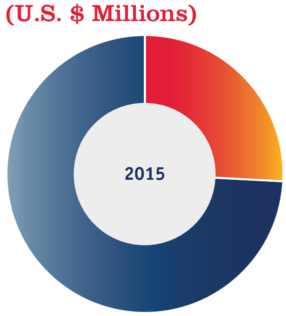
Continued growth driven by expansion opportunities and the ongoing acceptance of tank containers as one of the most efficient and safest modes of door-to-door transportation for bulk-liquid cargoes.

Operating Revenue (U.S. $ Millions)



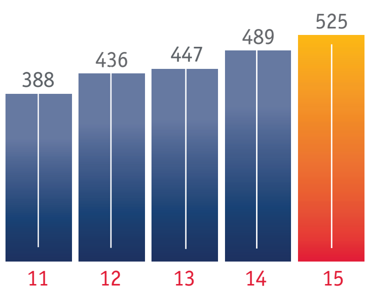
Stolt Tank Containers: **26%**
Rest of Group: **74%**

Operating Profit (U.S. $ Millions)



Stolt Tank Containers: **26%**
Rest of Group: **74%**

Assets (U.S. $ Millions)



2015 PERFORMANCE REVIEW

Stolt Tank Containers: Driving growth by capitalising on our strengths

Stolt Tank Containers (STC) is a leading provider of door-to-door transportation services for bulk-liquid chemicals and food-grade products. With a fleet of more than 35,000 tank containers, STC is the only operator with its own worldwide network of 19 owned and joint-venture depots. This specialised network gives STC direct control over the handling, cleaning and maintenance of its fleet, ensuring unrivalled quality, reliability and safety performance. With STC, customers know that their cargoes and the tanks carrying them are continually under the watchful eye of STC and its globally applied operating standards, ensuring reliability and safety for people and the environment. STC's depot network enables the division to deliver a demonstrably superior combination of quality, service and reliability to customers worldwide.

Highlights for 2015

Operating revenue decreased by $29.3 million in 2015, mainly reflecting lower rates due to declining fuel costs, as well as a 1.0% decrease in shipments, a higher proportion of lower-rate intra-regional shipments and increased price competition. Utilisation was also down, falling to 70.1% from 74.6% in 2014.

Though 2015 was a challenging year, it was also a year of progress for STC. The division's depot network grew from 14 to 19, with the opening of new facilities in Moerdijk, Netherlands; Zhangjiagang, China; Mumbai, India; and Kandla, India. During the year STC also entered into a joint venture with Kanoo Tank Services, which operates three depots in Saudi Arabia: Damman, Jubail and Jeddah.

Safety for people and the environment remained a priority. STC was recertified globally in ISO 9001 (Quality Management Systems) and expanded its CDI-MPC (Chemical Distribution Institute/Marine Packed Cargo) coverage, which evaluates the quality and safety management systems of logistic service providers, thus avoiding multiple assessments by individual chemical companies. STC also raised its scores in Eco Vadis, a sustainability rating platform for global supply chains.

mySTCtanks.com, the online tool that allows STC customers to better manage their tanks, reduce costs and drive supply-chain improvements, continued to gain users. 2015 saw further enhancements to the tool plus the addition of more communication tools via STC's social media platform.

STC's chemical fleet saw the net addition of 500 new tanks to the fleet, while the food-grade fleet added 525 with another 500 in the pipeline. Food-grade shipments outperformed in 2015, growing by 8%. STC continued its efforts to expand geographically in South America, Saudi Arabia, India, China and Asia as a whole.

Outlook

Faced with ongoing economic uncertainty Stolt Tank Containers continues to focus on driving process and operational improvements to enhance efficiency, while delivering unrivalled service to its customers worldwide, in a manner that is safe for people and the environment.

Michael W. Kramer
President
Stolt Tank Containers

STRENGTHENING STC'S COMPETITIVE POSITION

"With STC, customers know that their cargoes and the tanks carrying them are continually under the watchful eye of STC and its globally applied operating standards, ensuring reliability and safety for people and the environment."

Michael W. Kramer
President
Stolt Tank Containers

Q. With competition in the tank container industry increasing, what are you doing to strengthen the competitive position of STC?

A. STC is the industry leader and we have achieved that position by staying true to our goal, which is to provide our customers with the highest quality service at the lowest possible cost.

Q. And how do you do that?

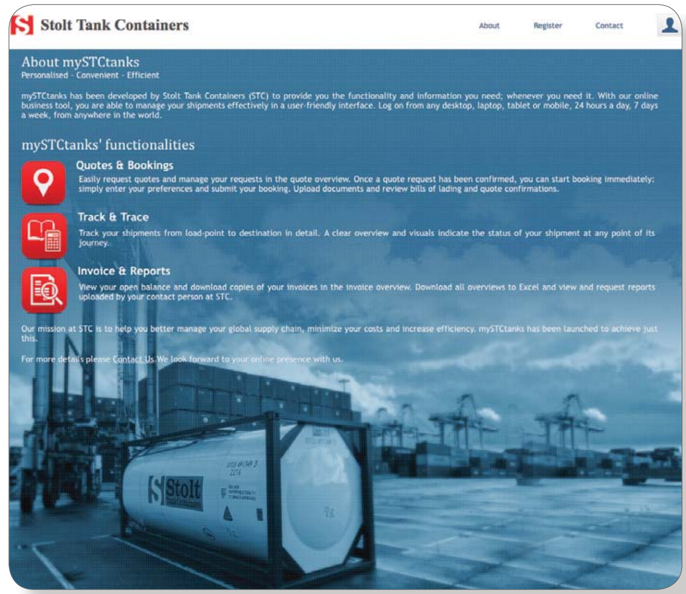
A. Two ways. First, by constantly enhancing the competitive advantages that deliver added value to our customers. Second, by making continuous process improvements that increase our efficiency and lower our costs. STC's competitive advantages help us retain existing customers and add new ones. Process improvements drive increased efficiency. Both improve profitability.

Q. How would you define STC's competitive advantages?

A. Our global depot network is first. STC operates nine owned and 10 joint-venture depots worldwide, and we are still expanding. No other tank container operator has their own depot network. Why do we? Because it gives us control over the maintenance, handling and cleaning of the tanks. And that control results in superior quality and customer peace of mind. Customers know that the STC tanks that carry their cargo are maintained to strict uniform standards, and that our depots operate in a manner that is safe for people and the environment. When you ship a product, all you want to know is that product is going to arrive safely and on time as expected, with no theatrics and no unpleasant surprises. STC's depot network plays a key role in helping us do just that.

Q. Online apps are not the first things that spring to mind when you think about the tank container business…

A. That's true; it's just not true about STC. Use of information technology is increasingly critical to our business – and our ability to compete successfully and more efficiently. We are in the process right now of rolling out our Paperless Office System, which is going to eliminate over 200,000 paper files a year. More importantly, it's going to simultaneously improve operator workflows. For example, imagine an operator is out sick. The files and notes of that operator can instantly be transferred to a cover operator, to make sure that not a ball is dropped or day is lost, in terms of our responsiveness to customers. We did a study that shows the paperless office frees up roughly 5% to 15% of an operator's time, every day. When you multiply the impact of that across the entire organisation, that gives us a lot more time to focus on more important things than pushing paper and documentation – like helping more customers get their cargoes shipped.



Q. STC is known for its effective use of information technology. How do you use IT to drive competitive advantage?

A. Competitive advantage is about added value – giving customers something they don't get elsewhere. STC's depot network is a perfect example. mySTCtanks.com is another perfect example. mySTCtanks.com is an online e-business platform that we launched about two years ago. Customers can use it to track and trace a tank, book a tank, check invoices, whatever. Plus, mySTCtanks.com includes built-in analytics that not only allow customers to get a clear snapshot of their shipment activity, but to obtain insights that allow them to better manage their shipments. And, as a customer, once you get used to having that, you don't want to do without it. For STC, that translates to both customer retention and competitive advantage.

Q. Have you been able to leverage information technology in your depot network?

A. Absolutely. Last year we launched CONTERM, which gives us greater visibility of the tanks throughout our system, plus enhanced communication capabilities regarding the status of those tanks. And that is vital when you operate a global fleet of more than 35,000 units.

Q. So what's the downside to the use of all this technology?

A. It's not that there's downside, it's that there's a challenge. And the challenge is one of execution. New ideas are great. New solutions are great. New apps are great. But only if you can effectively execute and implement them. And we as an organisation are very good at that. One of STC's strengths is the ability of our people to execute against a concept. And if you want to talk competitive advantage, that's STC's number-one advantage: our people.

STOLT SEA FARM

Stolt Sea Farm is one of the world's most advanced high-tech aquaculture companies, specialising in the land-based production of high quality turbot, sole, sturgeon and caviar.

TURBOT PRODUCTION CAPACITY (TONNES)

5,400

SOLE PRODUCTION CAPACITY (TONNES)

850

PERFORMANCE

(U.S. $ Millions)	2015	2014	2013
Operating revenue	$57	$64	$59
Operating profit	$0.4	$(1.4)	$8

MARKETS

Provides turbot and sole, primarily to white tablecloth restaurants in Spain, Italy and France; markets premium caviar worldwide.

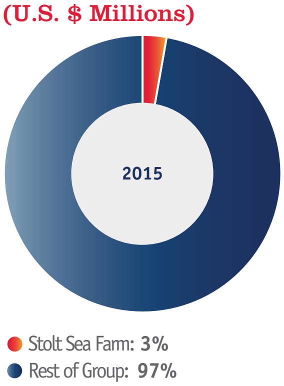
STRATEGY

Accelerate the division's growth by ramping up production of sole, a premium table fish that only SSF has the expertise to produce on a commercial scale.

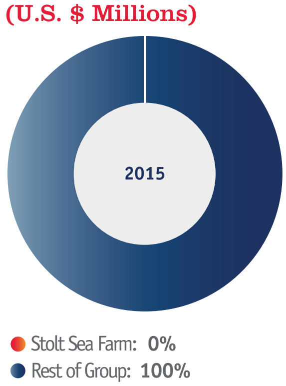
KEY ASSETS

Stolt Sea Farm operates 15 land-based farms (seven in Spain and one each in Iceland, France, Portugal and Norway), where it produces Prodemar™ turbot and sole. The division's four farms in California produce sturgeon and Sterling Caviar™.

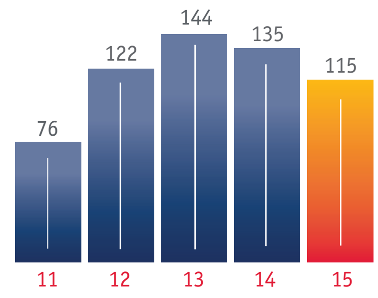
Operating Revenue (U.S. $ Millions)



Operating Profit (U.S. $ Millions)



Assets (U.S. $ Millions)



"SSF's innovative sole farm in Iceland began to generate commercial production levels of fish starting in March. The response from the marketplace was good and prices rose during the year…"

Pablo García
President
Stolt Sea Farm

2015 PERFORMANCE REVIEW

Stolt Sea Farm: Sole production in Iceland takes off

Stolt Sea Farm (SSF) is the world leader in land-based aquaculture, focusing on high-value, difficult-to-farm species, namely sole, turbot and sturgeon for caviar. These species, typically served in white tablecloth restaurants, command high market prices, compared with most other farmed fish. Thanks to decades of dedicated research and development, Stolt Sea Farm has achieved unmatched commercial results with these species.

Highlights for 2015

Stolt Sea Farm reported a slight operating profit for the year, mainly due to an increase in the fair market value of biological assets on a year-over-year basis, partially offset by the impact on revenue of the strong U.S. dollar and higher depreciation and start-up costs related to the sole farm in Iceland. While the volume of turbot sold was down, prices were up. The turbot market has been affected in recent years by a bankrupt competitor flooding the market with smaller fish, in order to raise cash. That situation continued in 2015. Sole volume was up sharply, as the Iceland farm commenced commercial operations. Caviar volume was down, though prices held steady.

SSF's innovative sole farm in Iceland began to generate commercial production levels of fish starting in March. The response from the marketplace was good and prices rose during the year from €9.8/kg to €11.0/kg, underscoring the willingness of customers to pay more for a superior fresh product. While the Iceland farm experienced no major issues in 2015, a number of adjustments were made to fine-tune and improve operations, which should result in increased production to near-capacity in 2016.

In 2014, SSF announced plans to develop a worldwide sales network for Sterling Caviar, the brand name for SSF's sustainable sturgeon farming and caviar unit. Significant progress was made against those plans in 2015, with sales of Sterling-branded caviar increasing significantly. In addition, SSF continued its long-term distribution relationship with Petrossian, the renowned restaurateur and marketer of luxury gourmet food and gifts.

During the year, SSF continued to focus on obtaining the necessary permits for its new sole farm in Spain. Current plans call for construction to begin in the latter half of 2016, with the first fish to be placed at the farm in 2017, followed by the commencement of commercial production a year later.

Outlook

With SSF's main competitor for turbot having emerged from bankruptcy, larger fish are now expected to be brought to market, which will help to optimise prices overall. Another good year for sole is anticipated, with increased volumes, larger fish and higher prices. Efforts to expand SSF's share of its total caviar sales will continue.

Pablo García
President
Stolt Sea Farm

STOLT BITUMEN SERVICES

2015 PERFORMANCE REVIEW

Stolt Bitumen Services: Infrastructure development fuels growth

Stolt Bitumen Services (SBS) operates a bitumen-distribution network in Southeast Asia, where infrastructure development is creating increased demand for bitumen. Established in 2007, SBS leverages Stolt-Nielsen's experience and core competencies in multi-modal bulk-liquid logistics.

Highlights for 2015

In 2015, SBS increased its distribution volume to 96,959 tons, up from 76,655 tons in 2014. SBS operates a network of four bitumen disribution terminals: a fully-owned 8,000 cbm facility in Long An, South Vietnam; an 8,000 cbm joint-venture terminal in Surabaya, Indonesia; a leased 5,500 cbm terminal in Cirebon, Indonesia, and a leased 3,000 cbm terminal in Cilacap, Indonesia. These facilities support downstream distribution into the Vietnam and Indonesia markets, serving more than 100 contractors in these countries. SBS also operates a polymer-modified bitumen (PMB) production plant and a drum-filling facility in the Long An terminal to meet the needs of road contractors there. To further support projected growth in South Vietnam and Java, SBS has increased its tank truck fleet in Southeast Asia to 50 tank trucks. SBS also operates two asphalt tankers, M/T *Stolt Kilauea* (3,500 dwt) and M/T *Stolt Fuji* (5,900 dwt) which are on long-term time charter in Asia and Europe, respectively.

Outlook

Infrastructure development in Southeast Asia is expected to remain strong in the foreseeable future, and SBS is actively seeking opportunities to expand its terminal network to 10-to-12 terminals to capitalise on this growth trend. SBS plans to expand its terminal network in Indonesia and Vietnam to cover additional territories. SBS is also currently evaluating opportunities to duplicate its business model in other emerging markets where infrastructure investment is creating similar demand for bitumen.

"Infrastructure development in Southeast Asia is expected to remain strong in the foreseeable future, and SBS is actively seeking opportunities to expand its terminal network…"

Bill Bryant
Managing Director APAC & MEA
Stolt-Nielsen Limited

PERFORMANCE

(U.S. $ Millions)	**2015**	2014	2013
Operating revenue	**$56**	$56	$40
Operating profit	**$0.6**	$0.3	($0.1)

DISTRIBUTION CAPACITY cbm

24,500

TANK TRUCK FLEET

50

KEY ASSETS

- 4 distribution bitumen terminals, 3 in Java, Indonesia (16,500 cbm) and 1 in South Vietnam (8,000 cbm)
- Two bitumen tankers of 5,900 dwt (*Stolt Fuji*) and 3,500 dwt (*Stolt Kilauea*)
- A fleet of 50 tank trucks: 900 tons delivery capacity

Markets

Provides reliable service and quality bitumen and related products, supplied to end users via efficient and safe supply chains in emerging markets in Southeast Asia.

Strategy

Continue to build-out its bitumen storage and distribution network in Southeast Asia, using a model that can be duplicated in other emerging growth markets in Africa, Central America and South America.

Outlook

Infrastructure development in Southeast Asia continues to drive increased demand for bitumen throughout the region.

STOLT-NIELSEN GAS

2015 PERFORMANCE REVIEW

Stolt-Nielsen Gas: A shift in focus to LNG

Stolt-Nielsen Gas (SNG) was established in 2007 with the goal of building a fleet of very large gas carriers (VLGCs) through purchases, acquisitions and mergers. That goal was realised in April 2014, when Avance Gas Holding Ltd, which was created by SNG and its partners, completed an initial public offering (IPO) of shares. Avance Gas currently operates 14 VLGCs. Stolt-Nielsen Gas owns approximately 7.2% of Avance Gas, which trades on the Oslo Stock Exchange under the ticker code "Avance". With the IPO completed, Stolt-Nielsen Gas has now shifted its strategy to focus on opportunities in the LNG space, mainly the development of small-scale LNG supply chains serving "stranded demand", where off-the-grid customers lack access to LNG pipelines.

Highlights for 2015

In June 2015, Stolt-Nielsen Limited and Golar LNG Limited (NASDAQ: GLNG) announced the formation of a 50/50 joint venture to pursue small-scale LNG production and distribution opportunities. As part of the agreement, SNL made a strategic investment in Golar LNG representing an ownership stake of approximately 2.3%. Golar is one of the world's largest independent owners and operators of LNG carriers and FSRUs (floating storage and regasification units). More recently, Golar moved upstream with the conversion of LNG carriers into floating liquefaction units (GoFLNG). Working with Golar, Stolt-Nielsen Gas is developing opportunities for the distribution of LNG to off-the-grid customers, supported by Golar's midstream ocean-based systems.

In October 2015, Stolt-Nielsen Gas purchased 10% of the shares in HIGAS S.r.L., with an option to acquire up to 80% of the company. HIGAS is a joint venture with plans to build and operate an LNG terminal and distribution facility in the port of Oristano, Sardinia. The planned role of SNG is to source and ship the LNG to the terminal via small LNG carriers, and then distribute the natural gas to customers via trucks and tank containers. The terminal is expected to be completed in 2017.

A third initiative – StoltLNGaz – is developing an opportunity to supply LNG to remote mining operations in northeast Canada. Progress on the project been postponed due to the impact of the weak commodity market on our target customers. While SNG's commitments remain in place, customers' decisions on the capital expenditures needed to make the changeover from fuel oil and diesel systems to natural gas are progressing more slowly than originally expected.

Outlook

While the decline in oil prices has introduced considerable volatility into global energy markets, demand for clean-burning LNG is growing, particularly in the remote areas being targeted by SNG and its partners. By leveraging Stolt-Nielsen's core competencies in the management of complex integrated supply chains and logistics, we are well positioned to participate in the development of these new markets.

"Stolt-Nielsen Gas has now shifted its strategy to focus on opportunities in the LNG space…"

Andrew Pickering
President
Stolt-Nielsen LNG

PERFORMANCE

(U.S. $ Millions)	2015	2014	2013
Operating revenue	**$–**	$–	$–
Operating profit/loss	**$14**	$12	$(1)

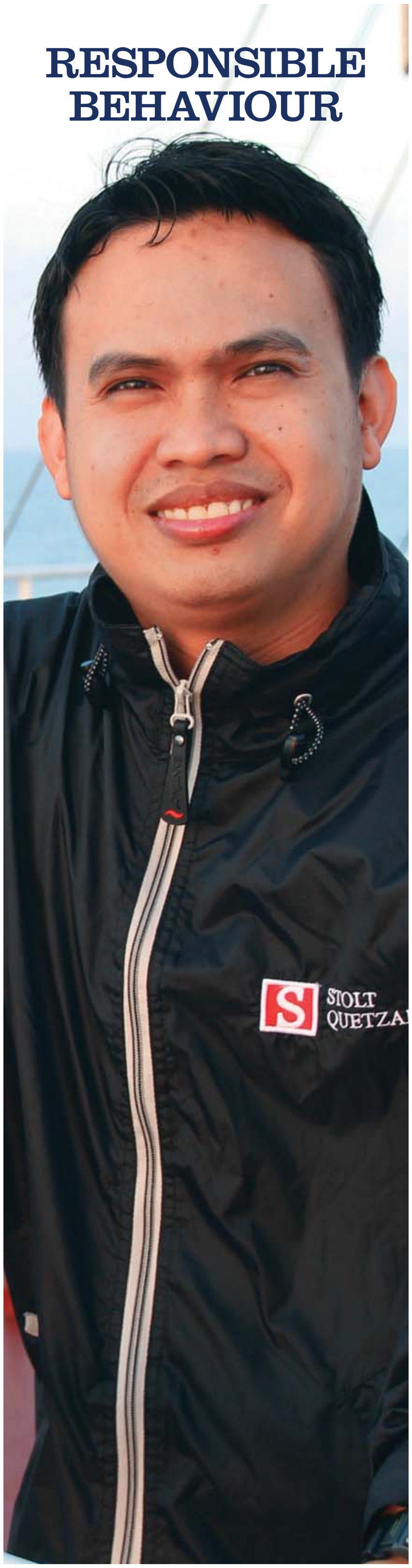
Markets
Off-the-grid customers lacking access to LNG pipelines.

Strategy
Development of small-scale LNG supply chains serving "stranded demand".

Outlook
Worldwide demand for clean-burning LNG is growing.

OPERATIONAL EXCELLENCE

RESPONSIBLE BEHAVIOUR



Code of conduct

Stolt-Nielsen requires that its business objectives are achieved in an ethical, honest and legal manner. To enforce this, a Code of Business Conduct is maintained, which is reviewed and approved by the Board annually. The Company does not tolerate any breach of the Code and individuals found to be in breach are subject to disciplinary action, up to and including termination of employment. The Code sets out the business conduct principles and rules that apply to all directors, officers, permanent employees, temporary employees, contractors and consultants.

In summary, the Code requires all personnel to comply with all relevant laws, regulations and Company policies at all times and to behave with integrity, maintaining internal and external relationships in a professional manner, avoiding conflicts of interest, bribery and corruption.

KEY HIGHLIGHTS

To ensure constant awareness and visibility of the Code, and to underscore Stolt-Nielsen's commitment to it, we also undertake the following:

- Poster-sized copies of the Code are prominently displayed at all of our locations worldwide, and translated into local languages as needed.
- All land-based management must complete an online Code compliance confirmation annually.
- All main agents of the Company are required to confirm compliance with the Code periodically.
- All joint-venture boards are required to confirm compliance annually.

In addition, to promote a culture in which employees feel comfortable about raising genuine concerns about potential, suspected or actual breaches of the Code without fear of victimisation, discrimination or disadvantage, Stolt-Nielsen has for many years maintained a whistleblower policy and an online system that enables anyone, internal or external, to report confidentially (anonymous or otherwise) directly to the Chairman of the Audit Committee and our Head of Operational Audit. All reports are taken seriously and investigated appropriately.

Dedicated to the success of our employees and the welfare of our seafarers

Stolt-Nielsen Limited is an equal opportunity employer. The professional development and personal growth of our employees are vital to our success. The company encourages employees to maximise their potential and has in place specific programmes to train and develop employees both ashore and at sea. Our goal is to provide the tools and rewards that inspire employees to continuously improve themselves, our business and the relationships that support it.

Programmes offered by the operating units of Stolt-Nielsen Limited include: cross-departmental and cross-business exposure, including transfers, secondments and short-term projects; advanced management training; job and skills training; safety training; continuing education programmes, including tuition assistance; and free onboard Wi-Fi internet access for three hours a day, enabling seafarers to stay in close contact with loved ones.

The fair treatment and welfare of seafarers is a concern of many both inside and outside our industry. All of Stolt-Nielsen's ships operate with valid International Transport Workers' Federation Union (ITF) agreements (Collective Bargaining Agreements) for all seafarers on board. In addition, we operate in conformance with the Seafarers' Bill of Rights of the Maritime Labor Convention (MLC), the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW), the International Convention for the Safety of Life at Sea (SOLAS), and the International Convention for the Prevention of Pollution from Ships (MARPOL). Compliance is verified through Port State Control and Flag Sate inspections. In addition, Stolt Tankers' compliance with MLC standards is fully documented within the division's Ship Management System. Further vetting takes place during routine on-board inspections as part of the Oil Companies International Marine Forum/ Chemical Distribution Institute (OCIMF/CDI) vetting regime and in-office reviews conducted as part of the OCIMF's Tanker Management & Self-Assessment process. Additional vetting takes place during periodic International Safety Management (ISM) audits carried out by DNV-GL, the world's largest ship classification society, on behalf of six flag states.

Stolt-Nielsen Limited takes pride in the low turnover and high retention of sea staff, many of whom choose to pursue long-term careers with Stolt, recognizing that we are a safe, reliable and high quality industrial shipper dedicated to meeting the needs of our customers for the long term.

SHEQ: Continued Progress

Safety for people and the environment is the first priority for Stolt-Nielsen Limited (SNL) and its business divisions. SNL elevated oversight responsibility for safety, health, environment and quality (SHEQ) to the Corporate level in 2013, in order to establish a global, integrated and informed approach to continuous improvement in safety. While we continued to pursue this goal aggressively last year, 2015 proved to be challenging from an SHEQ perspective, with the occurrence of some serious incidents. Among the incidents were tank over-pressurisations and collisions, the most serious by far involving the *Stolt Commitment* and the multipurpose carrier *Thorco Cloud* in the Singapore Strait in mid-December. The *Thorco Cloud* sank following the incident and six lives were lost. The matter remains under investigation.

These incidents prompted immediate actions at Stolt Tankers, where "Following Procedures and Situational Awareness" was already a core theme of the division's Excellence in Safety program. Efforts to place increased emphasis on navigation and training have redoubled, including expansion of Stolt Tankers' Excellence in Navigation training course. While this course was mainly targeted to junior officers, it will now be used for refresher training for senior officers, as well. Additional initiatives related to training, situational awareness and behavioural-based safety are included in the newly launched "Roadmap to Safe Operations". In order to provide added and fully objective perspectives on Stolt Tankers' practices and approaches, the division is in the process of engaging a third-party auditor to conduct

navigation audits on selected ships, in order to identify any potential weaknesses in the division's existing internal audit processes. Our commitment to safety has not wavered and we remain resolutely determined to leverage industry best practices, processes and procedures in pursuit of our safety objectives.

As Stolt-Nielsen Limited's 2015 annual report was going to press, results from the second company-wide Safety Awareness Survey, conducted in October 2015, were being compiled and analysed. Continuous improvement in SHEQ performance begins with measurement and analysis. For this reason, the Company introduced in 2013 quarterly reporting across all businesses of key performance indicators (KPIs) focusing on safety, including accidents and serious accidents, near misses with high loss potential, and impact on the environment. Lost time injuries (LTIs) are continuously measured: The tanker division, using the OCIMF reporting guidelines, recorded a LTI ratio of 0.8 for 2015. STC recorded none for the period. Stolthaven, using the Occupational Health and Safety Administration (OSHA) reporting guidelines recorded no LTI in all but two locations, which had a ratio of 2.57 and 1.5. This unified approach to SHEQ reporting yields a consistent and comparable picture of safety issues over time across the depth and breadth of SNL's global operations. We continue to strive to enhance and refine the KPIs in order to generate more targeted data that deliver more enhanced insights.

Our first Safety Culture Survey was rolled out across our major businesses in 2014. Our objective was (1) to establish a baseline measurement of employees' perceptions of the Company's commitment to safety, (2) to identify and take appropriate actions in response to the survey results, and (3) to monitor and drive progress by conducting follow-up surveys on a periodic basis.

As previously reported here, the results of the first survey were encouraging. A substantial majority of the survey respondents indicated that Stolt-Nielsen is serious about its commitment to safety. Some, however, expressed the view that

ENSURING RESPONSIBLE BUSINESS CONDUCT

satisfying customer needs, or financial objectives, rivaled safety in importance. This prompted an immediate intervention by the business-unit heads at Stolt Tankers, Stolthaven Terminals, Stolt Tank Containers and Stolt Sea Farm. In company-wide announcements and face-to-face meetings, the leadership of SNL explicitly affirmed Stolt-Nielsen's commitment to safety. SNL's response was based in part on research conducted by Shell, which has demonstrated the importance of senior management visibly and actively asserting its commitment to safety.

Continuous improvement is a stated goal of the SNL Corporate SHEQ initiative, and significant efforts were made to enhance the Company's second Safety Culture Survey, as conducted in October 2015. For example, certain questions were clarified, by eliminating some ambiguities and simplifying some of the wording. In addition, to increase user friendliness, the survey was translated into more than a dozen languages and is now administered online. Participants log in, choose a language, and simply proceed through a series of screens one by one. At the end of the survey, participants are invited to provide any comments they wish. This last step is important, as it gives our people an open platform to express their own opinions and insights, not to mention concerns, regarding SHEQ issues at the Company.

While the first survey had been conducted only a year earlier, we believe that the results of the second survey will be tangibly better, thanks to the adjustments and improvements made. Measurement and analysis is vital, but so is learning – for both those who take the survey, and those who create it. The Safety Culture Survey provides input and insights from our own people, helping us to develop and refine the practices, procedures and processes that make our commitment to safety a reality. The results of the second Safety Culture Survey will be reported in the 2016 annual report.

Our safety-management system approach recognises that people are fallible and errors can be expected. To address that reality, we have numerous defences, or barriers, in place to prevent accidents. These include organisational barriers, regulatory barriers, technical barriers and, finally, the co-workers who are directly involved in performing an operation. Our accident investigations almost invariably show that in most cases, somebody knew something was not quite right but they didn't speak up – or they employed what we call the 'hint and hope' approach. In other words, dropping hints that something doesn't seem right in the hope that a co-worker – usually a superior – will catch on and react. Unfortunately, this approach rarely works.

That's why we introduced the **Stop Work Authority** card in October 2014. The card empowers people who might otherwise be reluctant to speak up. Now they know that when they perceive an unsafe situation, it is their responsibility to speak up – and that they have the authority and the support to do so. It's part of their job to get that person's attention, express concern, state the problem and, if possible, propose corrective action or stop work until a superior gives authorisation to proceed.

Focusing on Environmental Performance

Improving the environmental performance of all our operating units is a core objective of the Corporate SHEQ initiative. All our major operating units continued to make progress toward this goal in 2015.

At **Stolt Tankers**, increasing fuel efficiency and reducing carbon dioxide (CO_2) emissions is a key objective. Achieving such improvements, however, requires a thorough understanding of shipboard fuel consumption, which, in turn, requires both extensive measurement and data collection. Stolt Tankers has invested in fuel-consumption data collection and validation tools, reaching 98% data accuracy. This has helped in part to achieve and measure fuel savings of 6% for 2014/2015 combined, compared with 2013. Small improvements have a large impact when spread across the entire Stolt Tankers fleet. For example, variable-frequency drives were retrofitted to shipboard pumps and fans to reduce total power and fuel consumption. And because ships with clean hulls and propellers slip through the water with less drag and less fuel, we optimise schedules for propeller

and hull cleaning, considering specific trades and operational profiles. Accurate data drives effective decision-making and improves efficiency.

During 2015, **Stolthaven Terminals** completed the implementation of the recently introduced Marine Terminal Management and Self-Assessment (MTMSA) process. Developed by the OCIMF (Oil Companies International Marine Forum), the MTMSA is a tool designed to help terminal operators better manage both risk assessment and risk management, for berth operations and the ship/shore interface. The tool allows operators to ensure that their management systems are effective and promote safety and environmental excellence.

Performance is measured with a series of Key Performance Indicators (KPIs), enabling users to identify and track trends, and, in turn, target resources accordingly. Risk-assessment results help terminal operators to develop plans aimed at continuous improvement of safety and environmental performance, and to transfer more effectively best practices across their organisations. MTMSA is now fully rolled out to all wholly owned Stolthaven terminals. Initial self-audits have been completed, providing baseline data for actions supporting continuous improvement globally.

2015 saw significant progress in SHEQ at **Stolt Tank Containers**. During the year, STC was recertified in ISO 9001 (Quality Management Systems) on a global basis. In addition, the division expanded its CDI-MPC (Chemical Distribution Institute – Marine Packed Cargo) coverage to new markets. CDI-MPC provides uniform assessments of the quality and safety management systems of their logistic service providers. STC also raised its environmental sustainability scores in the Eco Vadis programme, a sustainability rating platform for global supply chains. In addition, STC implemented improvements in the collection and tabulation of safety and quality metrics needed to drive continuous improvement of quality and safety initiatives in the future.

ENVIRONMENT

Stolt Sea Farm's environmentally friendly approach to fish farming has been proved time and again. Continual monitoring and testing show that sea water taken up by Stolt Sea Farm's land-based fish farms is cleaner when it is returned to the sea as a result of filtration. At certain farms, the organic material filtered from the sea water is provided to farmers for use as fertiliser. A different but equally effective approach is used at SSF's innovative sole farm in Iceland, where the volumes of pure hot and cold water available to the farm – upwards of 3,000 litres per second – mean there is no need to filter and recirculate, the process used on most land-based fish farms. The outflow from the farm in Iceland is virtually pristine, as verified by Icelandic authorities, which periodically test the outflow to ensure it meets that nation's strict environmental standards.

In its third year, Stolt-Nielsen Limited's Global SHEQ initiative continued to make strong progress towards its stated goals:

- to create a deeper, hands-on awareness of safety issues at the highest levels of management in the Company;
- to ensure that appropriate resources are provided to support SNL's stated commitment to safety;
- to provide additional assurance of rigorous compliance in a constantly expanding and increasingly complex regulatory environment; and
- to drive the Company-wide implementation of safety processes and reporting that leverage both Stolt-Nielsen's existing experience, which is substantial, and ongoing developments in safety.

Patrick J. Russi
Global SHEQ Manager
Stolt-Nielsen Limited
March 9, 2016

BOARD OF DIRECTORS

Leveraging our core business knowledge and experience.

Niels G. Stolt-Nielsen

Håkan Larsson

Samuel Cooperman

Rolf Habben Jansen

Jacob B. Stolt-Nielsen

NIELS G. STOLT-NIELSEN

Mr. Niels G. Stolt-Nielsen has served as a Director of Stolt-Nielsen Limited since 1996 and as Chief Executive Officer since 2000. He served as Interim Chief Executive Officer of Stolt Offshore S.A. from September 2002 until March 2003. He was the President of Stolt Sea Farm from 1996 until 2001. In 1994 he opened and organised Stolt-Nielsen Limited's representative office in Shanghai. He joined the Company in 1990 in Greenwich, Connecticut, working for Stolt Tankers. He serves as Chairman of Avance Gas Holding Ltd and as a Director of Golar LNG Limited. Mr. Niels G. Stolt-Nielsen graduated from Hofstra University in 1990 with a BS degree in Business and Finance. He is a Norwegian citizen.

HÅKAN LARSSON

Mr. Håkan Larsson has served as a Director of Stolt-Nielsen Limited since June 2007. He was the Chief Executive Officer of Rederi AB Transatlantic from 2003 to 2007. He serves as Chairman of Wallenius Wilhelmsen Logistics AS, Tyrens AB, Valea AB and Inpension Asset Management AB. He is a director of Semcon AB, EUKOR Car Carriers Inc and Handelsbanken. Mr. Larsson holds a Bachelor of Economics degree from the Gothenburg School of Economics. He is a Swedish citizen.

SAMUEL COOPERMAN

Mr. Samuel Cooperman has served as a Director of Stolt-Nielsen Limited since 2008 and as Chairman of the Audit Committee of the Board of Directors since 2009. Mr. Cooperman joined Stolt-Nielsen in 1974 and held a number of senior management positions, including Chairman and Chief Executive Officer of Stolt-Nielsen Transportation Group. He retired in 2003. Mr. Cooperman was a member of the Executive Committee of the International Chamber of Shipping until May 2010; he also served as Vice Chairman for two years. Mr. Cooperman is the Chairman of New York Cruise Line, Chief Executive Officer of Cooperman Weiss Consulting LLC and is a Director on the Board of National Principals Leadership Institute. Mr. Cooperman holds BS and MS degrees in Electrical Engineering from Columbia University and from the Graduate School at the University of Pennsylvania, respectively, and an MBA from Temple University. He is a U.S. citizen.

ROLF HABBEN JANSEN

Mr. Habben Jansen has served as a Director of Stolt-Nielsen Limited since December 2015. Mr. Habben Jansen has served as Chief Executive Officer of Hapag-Lloyd AG, one of the world's largest container shipping companies, since July 2014, after having been appointed a member of the Hapag-Lloyd AG Executive Board in April 2014. He was previously Chief Executive Officer of Damco, the global logistics firm, since 2009. Before that he was Head of Global Customer Solutions at DHL since 2006. He began his career at Royal Nedlloyd, the former Dutch shipping company, before joining Danzas, the Swiss logistics firm, which merged with DHL in 1999. Mr. Habben Jansen, who is a Dutch citizen, graduated from the Erasmus University in Rotterdam in 1991 with a degree in Economics.

JACOB B. STOLT-NIELSEN

Mr. Jacob B. Stolt-Nielsen has served as a Director of Stolt-Nielsen Limited since 1995. He served as an Executive Vice President of Stolt-Nielsen Limited from 2003 to 2004. In 2000, he founded and served as Chief Executive Officer of SeaSupplier Ltd. until 2003. From 1992 until 2000 he held the position of President, Stolthaven Terminals, with responsibility for the global tank storage business. He joined the Company in 1987 and served in various positions in Oslo, Singapore, Greenwich, Connecticut, Houston, Texas and London. Mr. Stolt-Nielsen is the CEO and founder of Norterminal AS, and is a member of the boards of the following companies: Beta AS, Timms AS, Bothel Holdings AS, New York Cruise Lines, Inc., Biomed Clinic AS, and Norterminal AS. Mr. Stolt-Nielsen graduated from Babson College in 1987 with a BS degree in Finance and Entrepreneurial studies. He is a Norwegian citizen.

JOHN WAKELY

Mr. John Wakely is the Stolt-Nielsen Limited Board Secretary and also serves as Chairman of Stolt Tank Containers Leasing Ltd. He served as Executive Vice President of Stolt-Nielsen Limited, from January 2002 until his retirement on December 31, 2013, with responsibility for tax planning and corporate structure. He joined Stolt-Nielsen Limited in 1988 and held various positions in the controllership, internal auditing and tax planning areas. In addition, Mr Wakely is also Chairman and a Director of Fiducia Ltd., and Chairman and a Director of International Beverage Trading Ltd. Prior to that he was employed by BP. Mr. Wakely is a member of the Chartered Institute of Management Accountants. He is a British citizen.

CORPORATE GOVERNANCE

Relevant Legislation and Codes of Practice for Corporate Governance

Stolt-Nielsen Limited's ("SNL" or the "Company") Corporate Governance addresses the interaction between SNL's shareholders, the Board of Directors and management.

The Companies Act of 1981 of Bermuda ("Bermuda Companies Act") governs the incorporation, organisation and management of SNL. In addition, relevant Bermuda and international law applies to the operation of the business of SNL. Norwegian securities law and Oslo Børs Continuing Obligations apply as a result of SNL being listed on Oslo Børs. Being incorporated in Bermuda and listed on Oslo Børs, SNL is subject to the Norwegian Code of Practice for Corporate Governance (the "Norwegian Code of Practice"). Adherence to the Norwegian Code of Practice is based on a "comply or explain" principle, whereby companies are expected to either comply with the Norwegian Code of Practice or explain what alternative approach is pursued and why. Pursuant to Section 3-3b of the Norwegian Accounting Act and Section 7(2) of Oslo Børs Continuing Obligations, the Company has summarised any expansions or deviations in the SNL Bye-Laws from the provisions of Chapter 5 of the Norwegian Public Limited Liability Companies Act (dealing with General Meetings of Shareholders). The Company's Bye-Laws are available at www.stolt-nielsen.com/Investor-Relations.aspx. The Norwegian Code of Practice is available at www.nues.no/English.

SNL is under the majority control of Fiducia Ltd, a company that indirectly represents the Stolt-Nielsen family. As such, the Company's Corporate Governance reflects this majority control and will therefore not necessarily comply with all recommendations of the Norwegian Code of Practice.

1. Implementation and Reporting on Corporate Governance

SNL has a Code of Business Conduct which applies to all Directors, officers and employees. Any waivers of the Code of Business Conduct for Directors or executive officers are approved by the Board and are disclosed in this report. The Company's overarching business conduct guidelines, including ethical and social responsibility guidance, are set out in its Code of Business Conduct and, where appropriate, more specific policies have been developed to provide more detailed guidance.

2. Business

In compliance with the Bermuda Companies Act and common practice, SNL's Memorandum of Association describes its objects and purposes as "unrestricted".

3. Equity and Dividends

The Board of Directors is of the opinion that the Company currently has sufficient equity to meet its objectives, strategy and risk profile. The authorised share capital of SNL is 65,000,000 Common shares, each with a par value of $1.00, and 16,250,000 Founder's shares, each with a par value of $0.001. As of November 30, 2015, 64,133,796 Common shares and 16,033,449 Founder's shares were issued and 55,111,855 Common shares and 13,777,964 Founder's shares were outstanding. The authorised share capital of SNL may only be increased, reduced or otherwise altered by resolution of the shareholders. The Board of Directors is authorised to increase the issued share capital within the limits of the authorised capital.

The Common shares available for issuance within the authorised share capital are intended to be available for the exercise of stock options under the Stolt-Nielsen S.A. (SNSA) 1997 stock option plan as continued by SNL. SNSA's stock option plan was approved at the 1997 Annual General Meeting. The stock option plan was established to create a long-term common interest among the Directors, the employees, and SNSA's shareholders. The Compensation Committee oversees SNL's share option programme. The last awards under the 1997 stock option plan were made in January 2007. The stock option plan has been closed and replaced by a long-term incentive plan which pays cash awards to management for meeting defined corporate financial objectives related to Return on total Capital Employed ("ROCE") and the ratio of Earnings Before Interest, Taxes, Depreciation, Amortization and Rent ("EBITDAR")-to-Revenue.

The Board of Directors has established a dividend policy that is available on the SNL website (www.stolt-nielsen.com). Under Bermuda law, a company's Board of Directors may not declare or pay dividends if there are reasonable grounds for believing that the company is, or would after the payment, be unable to pay its liabilities as they become due or that the realizable value of its assets would thereby be less than the aggregate of its liabilities and issued share capital and share premium accounts.

In accordance with the provisions of the SNL Bye-Laws the Company may purchase its own shares for cancellation or acquire such shares as treasury shares in accordance with the Bermuda Companies Act on such terms as the Board of Directors shall think fit. Historically, the Annual General Meeting of Shareholders of SNL has authorised the Company, or any wholly-owned subsidiary, to purchase Common shares of the Company, from time to time in the open market, provided that:

i. the maximum price to be paid for such Common shares shall not be higher than the higher of the price of the last independent trade and the highest current independent bid on Oslo Børs and shall be in conformity with applicable standards, if any, concerning such purchases that may be established by the regulatory regimes in such countries where the Common shares are listed or admitted for trading,

ii. the minimum price to be paid for such Common shares shall not be less than the par value (i.e. U.S. $1.00 per share) thereof, and

iii. other conditions for trading shall be in conformity with applicable standards, if any, concerning such purchases that may be established by the regulatory regimes in such countries where the Common shares are listed or admitted for trading, and further provided such purchases are in conformity with applicable law, such authorisation being granted for purchases completed on or before the following August 31.

The Board of Directors of SNL has resolved to continue share purchases, if any, on the foregoing terms.

4. Capital Structure, Equal Treatment of Shareholders and Transactions with Close Associates

SNL has two classes of shares, Common shares and Founder's shares, which carry rights as set forth below. Only the Common shares are listed on Oslo Børs.

Except for matters where applicable law requires the approval of both classes of shares voting as separate classes, Common shares and Founder's shares vote as a single class on all matters submitted to a vote of the shareholders, with each share entitled to one vote.

Under the Bye-Laws, holders of Common shares and Founder's shares participate in annual dividends, if any are declared by the Company, in the following order of priority: (i) $0.005 per share to Founder's shares and Common shares equally; and (ii) thereafter, all further amounts are payable to Common shares only.

Under the Bye-Laws, in the event of a liquidation, all debts and obligations of SNL must first be paid and thereafter all remaining assets of SNL are paid to the holders of Common shares and Founder's shares in the following order of priority: (i) Common shares rateably to the extent of the par value thereof (i.e. $1.00 per share); (ii) Common shares and Founder's shares participate equally up to $0.05 per share; and (iii) thereafter, Common shares are entitled to all remaining assets.

As of November 30, 2015, Fiducia Ltd., a company owned by a trust established for the benefit of certain members of the Stolt-Nielsen family, together with certain members of the Stolt-Nielsen family, controlled 63.02% of the outstanding shares of SNL entitled to vote generally on matters brought to a vote of the Shareholders of SNL. As a result, the Stolt-Nielsen family is currently able to directly and indirectly exercise a controlling influence over SNL's operations and has sufficient voting power to control the outcome of matters requiring Shareholder approval including: the composition of SNL's Board of Directors, which has the authority to direct SNL's business and to appoint and remove SNL's officers; approving or rejecting a merger, consolidation or other business combination; raising future capital; and amending the Bye-Laws which govern the rights attached to SNL's Common shares. This control may deter a third party from attempting to take control of SNL without the approval of the Stolt-Nielsen family. Additionally, the interests of the Stolt-Nielsen family may conflict with the interests of SNL's other shareholders.

The Board of Directors reviews at least annually the financial and other relationships between Directors and SNL. SNL conducts an appropriate review of all related party transactions for potential conflict of interest situations on an ongoing basis and all such transactions are approved by SNL's Audit Committee and disclosed in the Annual Report.

Any transactions SNL carries out in its own shares are carried out either through Oslo Børs or at prevailing stock exchange prices if carried out in any other way.

Directors and executive management must notify the Board of Directors if they have any material direct or indirect interest in any proposed transaction to be entered into by SNL. Following such notification, and unless disqualified by the Chairman of the relevant Board of Directors meeting, a Director may vote in respect of any such matter and may be counted in the quorum for such meeting.

The Board of Directors and the Board Committees may retain independent advisors, as they deem appropriate and at their discretion. SNL shall be responsible for the expenses of any such advisor.

5. Freely Negotiable Shares

Only the SNL Common shares are listed on the Oslo Børs. The Company's Bye-Laws limit individual shareholdings of Common shares to 20%, single U.S. person shareholdings to 9.9% and shareholders of any single country in aggregate to 49.9%.

While the Board of Directors is authorised to further restrict, reduce or prevent the ownership of shares if it appears to the Board of Directors that such ownership may threaten SNL with adverse consequences, including but not limited to adverse tax consequences, hostile takeover attempts or adverse governmental sanctions, it is the intention for the Board of Directors to assess any takeover offer for SNL or a substantial portion of SNL's assets, make a recommendation on any such offer, and call for a General Meeting of Shareholders to vote on the acceptance or rejection of such an offer.

6. General Meetings

The Board of Directors or the Chairman are responsible for calling both Annual and Special General Meetings of Shareholders. At any General Meeting, two or more persons present in person throughout the meeting and representing in person or by proxy issued voting shares in the Company, shall form a quorum for the transaction of business, except for those matters under the Bermuda Companies Act for which a specified super majority vote is required, in which case a quorum representing one-third of the issued and outstanding shares entitled to vote is required.

The Board of Directors is obligated to hold an Annual General Meeting every year at such time and place as the Board of Directors or Chairman shall designate.

A Shareholder or group of Shareholders representing at least one-tenth of the outstanding voting shares may request a Special General Meeting in writing indicating the agenda thereof. The Board of Directors will be obligated to hold the meeting forthwith.

Notices for both Annual and Special General Meetings shall be sent by mail to all holders entitled to attend and vote no later than 21 days before the date set for the General Meeting.

Notices should provide sufficient information on all matters to be considered at the General Meeting, voting instructions and the opportunity to vote by proxy. Matters at the General Meetings are restricted to those set forth in the agenda.

The foregoing provisions relating to the holding of, and conduct at, General Meetings of Shareholders are set forth in SNL's Bye-Laws, as well as in relevant provisions of the Bermuda Companies Act. A summary of provisions of Chapter 5 of the Norwegian Public Limited Liability Companies Act where the SNL Bye-Laws expand or deviate from the provisions of the Act can be found on the Company's website at www.stolt-nielsen/Investor-Relations.aspx.

7. Nomination Committee

Bermuda law does not require that a nomination committee is established, and there is no provision in the SNL Bye-Laws relating to a nomination committee. Consequently, SNL has not established a nomination committee. Members of the Board of Directors identify and evaluate proposed candidates for nomination to the Board of Directors. Individuals are selected for nomination to the Board of Directors based on their business or professional experience, the diversity of their background, and their array of talents and perspectives.

8. Corporate Assembly and Board of Directors: Composition and Independence

The business affairs of SNL are managed under the direction of the SNL Board of Directors. The Board of Directors may delegate authority to the Chairman, specified committees of the Board of Directors, or to SNL's management. SNL does not have a corporate assembly as this is not required under Bermuda law.

As provided in SNL's Bye-Laws, the Board of Directors shall be composed of at least three and not more than nine Directors. The Board of Directors believes that the optimal size for the Board of Directors should be six to eight Directors. The Board of Directors' size is flexible depending on the circumstances and the qualifications of proposed candidates.

The composition of the Board of Directors shall ensure that the SNL Board of Directors can attend to the common interests of all Shareholders and meets the Company's need for expertise, capacity, diversity and independence.

The Directors are elected at the Annual General Meeting of Shareholders. Directors shall hold office for such term as decided by the General Meeting, or in absence of such determination, until the next Annual General Meeting or until their successors are elected or appointed or their office is otherwise vacated. Directors may be removed only for cause by the vote at a Special General Meeting held for that purpose. In the event of a vacancy on the Board of Directors, the remaining members of the Board of Directors may fill such vacancy and appoint a member to act until the next General Meeting of Shareholders at which the Directors so elected shall be confirmed. The foregoing provisions relating to the election, removal and replacement of Directors are set forth in the SNL Bye-Laws.

Whereas the Board composition meets the requirements according to the Norwegian Code of Practice for independence from major Shareholders and main business associates, three of the current five SNL Directors, Samuel Cooperman, Håkan Larsson and Rolf Habben Jansen are considered to be independent from the executive management according to the Norwegian Code of Practice. In the view of the SNL Board of Directors, the composition of the Board of Directors and the Board Committees ensures continuity and experience and is suitable to represent the interests of the minority Shareholders.

The Chairman of the Board of Directors is elected by the Annual General Meeting of Shareholders. The CEO is a member of the Board of Directors. The Annual Report includes information to illustrate the expertise of the members of the Board of Directors.

An up to date composition of SNL's Board of Directors is available on the Company's website at www.stolt-nielsen.com/Investor-Relations.aspx.

9. The Work of the Board of Directors

Board Meetings

The Board of Directors holds at least four regularly scheduled meetings a year. Meeting schedules are approved by all members of the Board of Directors. SNL does not have a Deputy Chairman as this has not been considered necessary. The Board of Directors may appoint a Board Secretary who does not need to be a member of the Board of Directors.

Decisions of the Board of Directors shall be taken by a majority of the votes cast by the Directors present and represented at the meeting provided a quorum is present. A majority of the Directors then in office shall constitute a quorum. The Board of Directors may also act by unanimous written consent.

Board Meetings – Executive Sessions

Management is available to discuss matters of concern to the Board of Directors, and the Board of Directors has regular access to senior management. The basic duties and responsibilities of the Directors include attending Board of Directors' meetings, preparing for meetings by advance review of any meeting materials and actively participating in the Board of Directors' discussions. Directors are also expected to make themselves available outside the Board of Directors' meetings for advice and consultation.

The Board of Directors ensures that SNL has effective internal controls in accordance with the regulations that apply to its activities, including SNL's corporate values and ethical guidelines.

Board Committees

The Board of Directors has established an Audit Committee and a Compensation Committee. The Board of Directors periodically reviews the size, structure and function of the Board Committees. The Audit Committee and Compensation Committee have written charters. These charters are reviewed and reassessed by the Board on an annual basis.

The Audit Committee is composed of at least two members, preferably each of whom is independent pursuant to all applicable regulatory requirements. The Compensation Committee is composed of at least two members, of whom at least one shall be deemed independent pursuant to all regulatory requirements applicable to SNL.

The Audit Committee is responsible for the oversight of the work of the Company's external auditor, and for recommending the external auditor's appointment, compensation and retention. Under Bermuda law the appointment of the external auditor has to be made by the Shareholders in General Meeting, but the approval of the external auditor's compensation may be delegated by the Shareholders to the Board of Directors.

The Compensation Committee of SNL is responsible for compensation strategy, overall salary increases and awards under its compensation programmes. It reviews and approves all aspects of senior executive management compensation, including performance incentive and equity based compensation plans.

Each Committee has a Chair who reports the activities of such Committee at meetings of the full Board of Directors.

The members of the Committees are set out on the Company's website at www.stolt-nielsen.com/Investor-Relations.aspx.

10. Risk Management and Internal Control

The Board of Directors is responsible for SNL's system of internal control, which covers financial, operational and compliance controls as well as risk management processes. SNL's system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and provide reasonable assurance that SNL is operating legally, ethically and within approved financial and operational policies and procedures with sufficient safeguards against material financial statement misstatements or loss of assets.

The main elements of the Company's system of internal control over financial reporting include the Code of Business Conduct, Global Accounting Policies and Procedures, Financial Reporting Risk Assessments, Annual Budgets, Authorisation Limits, Periodic Reporting and Evaluation of budgeted versus actual results. The different layers of control allow for a greater probability that errors in the financial reporting are identified early and corrected.

SNL's business heads conduct an annual review of SNL's most significant areas of exposure to risk and the related internal control system. The Operational Audit Department provides assurance that the Company has appropriate internal control, risk management and related corporate governance systems in place throughout the organisation, and performs regular independent audit reviews of these systems to assure adherence and recommend improvements.

The Board of Directors, through the Audit Committee, oversees the monitoring of compliance with the system of internal control over financial reporting. At its quarterly meeting the Audit Committee reviews and discusses results of internal audits performed by the Operational Audit Department. This also includes matters of an ethical nature. All employees, customers, suppliers and other parties have direct access to the Audit Committee, through the whistle blowing system, to report any potential illegal or unethical matters.

11. Remuneration of the Board of Directors

The Board of Directors reviews the Directors' compensation periodically. The review includes a comparison of SNL's Directors' compensation practices against the practices of comparable U.S. and European companies. The remuneration of the Board of Directors reflects the Board of Directors' responsibility, expertise, time commitment and the complexity of SNL's activities. The remuneration is not linked to the performance of the Company.

Members of the Board of Directors and/or companies with which they are associated shall not in principle take on specific assignments for SNL in addition to their appointment as a member of the Board of Directors. If they do nonetheless take on such assignments this shall be disclosed to the full Board of Directors. The remuneration for such additional duties shall be approved by the Board of Directors.

The remuneration awarded to SNL's Board of Directors for their service as Directors is disclosed in aggregate in the Annual Report. Any remuneration in addition to normal directors' fees is specifically identified.

12. Remuneration of the Executive Management

The Compensation Committee of SNL is responsible for compensation strategy, overall salary increases and awards under its compensation programmes. It reviews and approves all aspects of senior executive management compensation, including performance incentive and equity based compensation plans.

The Company has in place a long-term incentive plan aimed at tying the executive management's compensation with the performance of the Company. This is a cash-based plan which sets future payouts based on Company performance relative to targets for Return of Capital Employed and EBITDAR-to-Revenue. All performance related compensation is capped at a maximum percent of the salary of the executive management.

13. Information and Communications

All information distributed to SNL's Shareholders is published on SNL's website. SNL promptly submits all press releases to Oslo Børs, and disseminates such press releases through an approved news wire service that provides simultaneous and broad distribution.

Copies of audited financial statements of SNL are distributed to Shareholders prior to the Annual General Meeting of Shareholders and filed with Oslo Børs in accordance with its requirements. SNL publishes each year the dates for major events such as its Annual General Meeting of Shareholders, publication of interim reports, public presentations and dividend payment date if appropriate. These dates are available on SNL's website at www.stolt-nielsen.com/Investor-Relations.aspx.

After each quarterly earnings release, SNL holds a conference call to discuss the results and respond to investor and analyst questions. The conference call is open to all those who wish to participate. Twice per year the results conference call is held in front of a live audience. All conference calls have a telephone dial-in and are webcast with playback options available.

14. Take-Overs

The Board of Directors will publicly disclose any serious offer for SNL or a substantial portion of the assets of SNL and will to the extent applicable follow the Norwegian Securities Trading Act and the recommendation in the Norwegian Code of Practice if any serious offer is received.

In most of SNL's financing agreements the Company has certain change of control provisions that would trigger a default in the event of a take-over, unless waivers were obtained from lenders.

15. Independent Auditors

The Audit Committee is responsible for the oversight of the work of the Company's external auditor, and for recommending the external auditor's appointment. The Audit Committee has established guidelines in respect of the use of the Independent Auditors by the Company's executive management for services other than the audit. The Audit Committee shall receive annual written confirmation from the Independent Auditors that such firm continues to satisfy the requirements for independence. In addition, the Independent Auditors shall provide the Audit Committee with a summary of all services in addition to audit work that has been undertaken for the Company. The Independent Auditors shall submit the main features of the plan for the audit of SNL to the Audit Committee annually.

The Independent Auditors shall participate in meetings of the Audit Committee that deal with the annual accounts and half-year results. At these meetings, the Independent Auditors shall comment on any material changes in the Company's accounting principles, comment on material management estimates and judgements, and report all matters on which there has been disagreement between the firm and the executive management of the Company.

The Independent Auditors shall at least once a year present to the Audit Committee commentary on any significant internal control findings arising during the audit.

The Audit Committee shall hold a meeting with the Independent Auditors at least once a year at which neither the CEO nor any other member of the executive management is present.

FINANCIAL REVIEW

Jan Chr. Engelhardtsen
Chief Financial Officer

MANAGEMENT'S DISCUSSION OF OPERATING PERFORMANCE

This section discusses SNL's operating results and financial condition for the years ended November 30, 2015 and 2014. This discussion consists of:

- Results of Operations;
- Business Segment Information;
- Liquidity and Capital Resources;
- Critical Accounting Estimates;
- Principal Risks;
- Treasury Shares;
- Going Concern; and,
- Subsequent Events.

RESULTS OF OPERATIONS

Below is a summary of SNL's consolidated financial data for November 30, 2015 and 2014:

	For the years ended November 30,	
(in thousands)	**2015**	2014
Operating Revenue	**$ 1,983,738**	$ 2,137,854
Operating Expenses	**(1,595,984)**	(1,791,254)
Gross Profit	**387,754**	346,600
Gross margin	***19.5%***	*16.2%*
Share of profit of joint ventures and associates	**49,887**	45,207
Administrative and general expenses	**(206,363)**	(211,774)
U.S. pension curtailment gain	**19,813**	–
Restructuring expenses	**(4,132)**	(4,380)
Gain (loss) on disposal of assets, net		
Sale of shares of Avance Gas Holdings Ltd	**3,032**	19,654
Sale of other assets	**(4,202)**	(4,741)
Other operating income	**826**	4,631
Other operating expense	**(447)**	(6,557)
Operating Profit	**246,168**	188,640
Operating margin	***12.4%***	*8.8%*
Non-operating income (expense):		
Finance expense	**(105,596)**	(95,193)
Finance income	**4,381**	2,381
Foreign currency exchange gain (loss)	**356**	(1,736)
Other non-operating income (expense)	**1,930**	(938)
Profit before Income Tax	**147,239**	93,154
Income tax expense	**(14,135)**	(15,068)
Net Profit	**$ 133,104**	$ 78,086
Attributable to:		
Equity holders of SNL	**132,672**	77,141
Non-controlling interests	**432**	945
	$ 133,104	$ 78,086

	For the years ended November 30,	
(in thousands)	**2015**	2014
Net profit before one-time items:	**$ 123,326**	$ 58,671
One-time items:		
U.S. pension curtailment gain	**19,813**	–
Gain on sale of AGHL shares	**3,032**	19,654
Goodwill impairment in New Zealand	**(4,963)**	–
Settlement of business-interruption insurance and adjustment on deductible for Hurricane Isaac	**–**	8,000
Restructuring charges for Norwalk office	**(4,132)**	(4,380)
Write-down in connection with the formation of Stolt LNGaz Ltd	**–**	(3,862)
Net loss on sale of the *Stolt Markland* and *Stolt Tern*	**–**	(3,900)
Release of a provision for a terminated customer storage contract	**–**	3,800
Included in Share of profit of joint ventures and associates:		
Writedown of investment in Stolt LNGaz Ltd.	**(1,818)**	–
Impairment of two ships at Shanghai Sinochem-Stolt Shipping Ltd	**–**	(2,000)
Dilution gain on AGHL transactions	**–**	4,748
Tax effect on the above one-time items	**(2,154)**	(2,645)
Net Profit	**$ 133,104**	$ 78,086

CONSOLIDATED INCOME STATEMENTS

Net profit of SNL was $133.1 million for 2015, an increase of $55.0 million from 2014. Excluding the one-time items described in the above table, net profit was $123.3 million for 2015, compared with $58.7 million in 2014, or a $64.7 million increase. The most significant factors affecting SNL's performance in 2015 were:

- Stolt Tankers reported an operating profit of $122.2 million. This compared favourably with the prior year operating profit of $35.3 million, reflecting lower bunker costs net of bunker surcharge rebates as well as lower time charter expenses, port costs and ship owning expenses.
- Stolthaven Terminals reported an operating profit of $38.9 million versus $64.7 million. Excluding the one-time negative adjustments of $5.0 million in 2015 and positive adjustments of $11.8 million in 2014 discussed in the Terminals section below, operating profit decreased by $9.1 million in 2015. The decrease in operating profit was mainly a result of higher maintenance-related expenses in Stolthaven Houston, higher depreciation from extra capacity and acceleration of depreciation of certain assets in Australasia.
- Stolt Tank Containers reported an operating profit of $63.3 million, down from $70.1 million in 2014, a decrease of $6.8 million. This was largely due to a 1.0% decline in shipments from 2014 to 2015 due to a slowdown in the global markets in conjunction with margin pressure from increased competition in most major markets. Also impacting the 2015 results was a loss of $1.5 million for the recycling of a certain series of tank containers.
- Stolt Sea Farm reported an operating profit of $0.4 million, compared with an operating loss of $1.4 million in 2014. The adjustment for fair value of inventories caused a decrease in operating profit of $1.3 million in 2015, compared with a $4.3 million decrease in 2014. The net result was a $2.9 million increase in operating profit. Partially offsetting this was an increase in depreciation of $1.3 million due to a full year of sole operations.
- Corporate and Other operating profit was $21.3 million, consistent with the prior year. For 2015, this was primarily a result of $19.8 million income recorded from the curtailment of the U.S. pension plan and the sale of 2.5 million shares in associate, Avance Gas Holding Ltd (AGHL), which generated income of $3.0 million. In 2014, SNL sold 2.9 million shares of AGHL for a gain of $19.7 million.

Operating Revenue

Operating revenue on a consolidated basis in 2015 was $1,983.7 million which was $154.1 million, or 7.2%, lower than 2014, mainly due to lower freight and bunker surcharge revenue in Tankers, fewer shipments and lower rates at Stolt Tank Containers and the effect of the strong U.S. Dollar in Sea Farm. This was partially offset by increased capacity in Terminals and additional bitumen trading.

Stolt Tankers' revenue decreased by $123.1 million mainly due to higher bunker surcharge rebates, as $71.2 million of the lower bunker costs were passed on to customers in accordance with bunker clauses in Contracts of Affreightment (COA). In addition, freight revenues decreased as volumes and average spot rates of cargo carried in the deep-sea fleet were lower and as the weak Euro had an adverse impact on freight revenues in the European regional fleets.

Stolthaven Terminals' revenue increased by $7.2 million versus 2014, an increase of 3.4%, prior to the $3.8 million release of an unfavourable customer contract provision in 2014. The improvement reflected an increase in average capacity in Houston and New Orleans in the U.S., Newcastle in Australia, Singapore, Dagenham in the U.K. and Moerdijk in the Netherlands. This was partially offset by a decrease in the average utilisation rate to 86.8% in 2015 from 87.8% in 2014 as well as increased competition which impacted rates.

Stolt Tank Containers' revenue decreased by $29.3 million, a decline of 5.4%. Shipments decreased 1.0% while rates dropped as a result of increased competition and lower ocean freight and fuel costs in most regions as well as an increase in intra-regional shipments, which are typically shorter and have lower transportation rates. The impact of lower transportation rates was partially offset by increased demurrage revenue.

Stolt Sea Farm's operating revenue decreased by $6.4 million from 2014, primarily reflecting the effect of the strong U.S. Dollar. This was partially offset by a $3.0 million increase in sole revenue as the farm in Iceland began to sell mature fish.

Corporate and Other operating revenue included revenue from Stolt Bitumen, where revenue increased slightly to $56.4 million in 2015 from $55.9 million in 2014 as a result of additional trading of bitumen. Stolt Bitumen increased its distribution volume to 96,959 tons in 2015, up from 76,655 tons in 2014 through a 8,000 cbm facility in Long An, South Vietnam, two leased terminals totalling 8,500 cbm in Indonesia and an 8,000 cbm joint-venture terminal in Indonesia for downstream distribution into the Vietnam and Indonesia markets. Increased volume was almost completely offset by the effects of lower rates.

Gross Profit

SNL's gross profit increased by $41.2 million to $387.8 million, up 11.9% compared with 2014, reflecting improved market conditions and lower bunker prices in Stolt Tankers, partially offset by falling gross profit in the other segments.

Stolt Tankers' gross profit increased by $65.3 million to $194.8 million. The increased gross profit was primarily due to lower bunker costs, net of higher bunker surcharge rebates. Time charter expenses, port charges and ship owning expenses were also down. Partially offsetting this was lower freight revenue as discussed above and the accelerated depreciation on certain ships.

Gross profit for Stolthaven Terminals was $62.0 million prior to the $5.0 million goodwill write-down in New Zealand, compared with $70.8 million in 2014, excluding a business interruption insurance gain in relation to Hurricane Isaac of $6.0 million and the impact of the release of an unfavourable customer contract provision of $3.8 million. Excluding the one-time adjustments, gross profit decreased by $8.8 million as the impact of increased capacity was more than offset by a decrease in the average utilisation rate, higher maintenance expenses in Houston and higher depreciation as a result of adding extra capacity and accelerated depreciation on certain assets.

Stolt Tank Containers saw a decrease in gross profit of $5.7 million from the prior year due in large part to the reduction in shipment volumes caused by stagnant market conditions and margin pressure caused by increased competition. This was partially offset by increased demurrage revenue.

Stolt Sea Farm's gross profit increased by $0.9 million due to a fair value of inventories loss of $1.3 million in 2015, as compared with $4.3 million in 2014, partially offset by higher depreciation from the sole operations beginning a full year of farming.

Share of Profit of Joint Ventures and Associates

SNL's share of the profits from non-consolidated joint ventures and associates in 2015 was $49.9 million, up from $45.2 million in 2014.

Stolt Tankers' share of profit from joint ventures participating in the Stolt Tankers Joint Service (STJS) increased by $4.1 million from 2014, mainly as a result of the positive impact of lower bunker expenses. The regional Southeast Asia joint venture, Stolt NYK Asia Pacific, showed an increase in profits of $2.7 million, also as a result of lower bunker costs. The increase in Shanghai Sinochem-Stolt Shipping Ltd. profits of $2.0 million was a result of a prior year write-off of two ships.

Stolthaven Terminal's share of profit from joint ventures decreased by $1.8 million primarily as a result of the temporary closure of the terminal joint venture in Lingang, China and the effect of the weak Euro on the joint venture with Oiltanking in Antwerp, Belgium. The joint venture in Lingang was closed after an explosion in the port of Tianjin in August 2015. It is waiting for the renewal of its operating license.

Corporate and Other's share of profit in joint ventures and associates decreased by $2.8 million as a result of losses on the investment in Stolt LNGaz Ltd.

Administrative and General Expenses

Administrative and general expenses were $206.4 million in 2015, down from $211.8 million in 2014, a decrease of $5.4 million. This was primarily due to the strong U.S. Dollar, partially offset by increases as a result of regular salary increases, more employees and higher profit sharing expenses as a result of improved profits.

U.S. Pension Curtailment Gain

SNL recorded a $19.8 million gain on the curtailment of its U.S. pension plan in 2015.

Restructuring Expenses

SNL recorded $4.1 million in restructuring expenses in 2015 and $4.4 million in 2014, related to the 2015 closure of the Norwalk, Connecticut office.

(Loss) Gain on Disposal of Assets, Net

SNL recorded a net loss on disposal of assets of $1.2 million in 2015 and a gain on the disposal of assets of $14.9 million in 2014. The loss in 2015 related to the sale and recycling of several tankers and the disposal of tank containers, partially offset by the $3.0 million gain on sale of AGHL shares. The gain in 2014 was mainly due to the $19.6 million gain on sale of AGHL shares, offset by the $4.6 million loss on sale of the *Stolt Markland*.

Other Operating Income and Other Operating Expense

Other operating income in 2015 was $0.8 million and in 2014 was $4.7 million. Insurance reimbursement income (excluding business interruption) related to Hurricane Isaac was $3.2 million in 2014.

Other operating expense in 2015 was $0.4 million and $6.6 million in 2014. In 2014, a $3.9 million write-down was taken in connection with the formation of Stolt LNGaz Ltd.

Finance Expense

Finance (interest) expense was $105.6 million in 2015, up from $95.2 million in 2014. The increase of $10.4 million between the periods was due to an increase in the average debt outstanding, an increase in the average interest rate, and a decrease in capitalised interest of $1.9 million between the periods.

Finance Income

Finance income was higher by $2.0 million in 2015, compared with 2014 due to interest income from the cancellation of a Bitumen newbuilding in the current year.

Foreign Currency Exchange Gain (Loss)

In 2015 SNL had a foreign exchange gain of $0.4 million, compared with a $1.7 million loss in 2014.

Other Non-operating Income (Expense)

Non-operating income of $1.9 million in 2015 compared favourably with non-operating loss of $0.9 million in 2014. In 2015, SNL recorded $2.0 million of dividends from Golar LNG Limited.

Income Tax Expense

The income tax expense was lower in 2015 than in 2014 by $0.9 million reflecting lower realised taxable profits in the Houston, New Orleans and Australasia terminals partly offset by higher realised taxable profits in the Singapore and Santos terminals and the settlement of an IRS audit in the U.S.

Non-controlling Interest

Non-controlling interest mainly relates to an external minority shareholder interest of 25% in Sterling Caviar.

BUSINESS SEGMENT INFORMATION

This section summarises the operating performance for each of SNL's principal business segments. The "Corporate and Other" category includes Corporate-related expenses and all other operations, such as Stolt Bitumen Services and Stolt-Nielsen Gas, which are not reportable under the other segments.

	For the years ended November 30,	
(in thousands)	**2015**	2014
Operating Revenue:		
Stolt Tankers	**$ 1,136,654**	$ 1,259,729
Stolthaven Terminals	**217,422**	214,022
Stolt Tank Containers	**510,277**	539,616
Stolt Sea Farm	**57,317**	63,743
Corporate and Other	**62,068**	60,744
Total	**$ 1,983,738**	$ 2,137,854
Operating Profit (Loss):		
Stolt Tankers	**$ 122,222**	$ 35,253
Stolthaven Terminals	**38,908**	64,741
Stolt Tank Containers	**63,309**	70,096
Stolt Sea Farm	**406**	(1,413)
Corporate and Other	**21,323**	19,963
Total	**$ 246,168**	$ 188,640

STOLT TANKERS

Operating Revenue

Operating revenue decreased by $123.1 million in 2015 from 2014, with deep-sea revenue decreasing by $102.2 million and regional revenues falling by $20.9 million. Deep-sea freight, net of dead freight and demurrage revenue, decreased by $29.7 million, while bunker surcharge revenue to customers decreased by $65.4 million, the latter reflecting a drop in bunker costs during the year.

Deep-sea freight revenues decreased due to 1.3% lower volume of cargo carried and a 3.6% lower average rate for these cargoes, primarily a result of the impact of lower bunker prices on spot freight rates. Operating days decreased by 1.5% while utilisation (tons carried per operating day) remained stable. The lower freight volumes were partially tied to the increase in deadfreight revenue as a customer had production problems for part of the year. The demurrage revenue increase was in line with the increase in the time spent in port from 2014, in particular in the ports of Houston, Santos, Jubail and Kandla.

Regional fleet revenue decreased by $20.9 million, reflecting the negative impact of the weak EUR on the European coastal and barging fleets and of lower bunker surcharge revenues.

The average Sailed-In Time-Charter Index[1] for 2015 was 0.72, compared with 0.65 for 2014.

As of November 30, 2015, Stolt Tankers owned and/or operated 144 ships and barges, representing 2.47 million deadweight tons (dwt), slightly lower than 2.55 million dwt in 2014.

	Number of ships	Millions of dwt	% of STJS net earnings for the year ended November 30, 2015
Stolt Tankers Joint Service (STJS):			
Stolt-Nielsen Limited (42 owned)	44	1.46	83%
NYK Stolt Tanker S.A.	6	0.19	11%
Gulf Stolt Tankers	4	0.18	6%
	54	1.83	100%
Time chartered ships	6	0.22	
Total Stolt Tankers Joint Service	**60**	**2.05**	
Ships in regional services (28 owned)	84	0.42	
Total	**144**	**2.47**	

Operating Profit

Operating profit rose to $122.2 million in 2015 from $35.3 million in 2014, an increase of $86.9 million. The operating profit increased primarily due to $150.3 million lower bunker expenses as a result of lower bunker prices. The average price of IFO consumed in 2015 decreased to approximately $336 per ton from $607 per ton in 2014. Partially offsetting this decrease was $71.2 million of lower revenue received from bunker surcharge clauses, which the STJS has in 96.0% of its COA.

Time charter expenses were $13.5 million lower as a result of the strong U.S. Dollar and the acquisition of six second-hand ships while port charges were $10.1 million less, also caused by the strong U.S. Dollar as well as fewer Suez and Panama canal transits.

Shipowning costs decreased by $4.0 million in 2015 from 2014, primarily due to lower manning and maintenance and repair expenses. Costs related to shore assignments, travel costs and training expenses were lower, while the number of technical incidents decreased in 2015. This was partly offset by higher depreciation expenses caused by reductions in residual values of certain ships.

Excluding the $2.0 million impairment at Shanghai Sinochem Stolt Shipping Ltd. in 2014, the share of joint venture profit increased by $7.6 million primarily due to the joint ventures Gulf Stolt Tankers DMCCO and NYK Stolt Tankers S.A. benefitting from higher variable time charter revenue received from the STJS in 2015 as well as improved results in Stolt-Nielsen Asia Pacific Services as a result of lower bunker costs.

STOLTHAVEN TERMINALS

Operating Revenue

Stolthaven Terminals' revenue increased to $217.4 million in 2015 from $214.0 million in 2014. Revenue in 2014 was impacted by the release of an unfavourable customer contract provision for $3.8 million. Excluding this one-time positive 2014 adjustment, revenue in 2015 increased by 3.4% due to an increase in overall storage capacity of 7.2%, partially offset by a decrease in the average utilisation rate to 86.8% in 2015 from 87.8% in 2014, increased competition impacting rates and the strong U.S. Dollar. The decrease in the average utilisation rate was mainly due to new capacity in Houston and tanks returned by customers in Singapore.

Total available average capacity at the consolidated terminals increased to 1,607,008 cubic metres in 2015 from 1,499,403 cubic metres in 2014 as a result of adding extra capacity in Houston and New Orleans in the U.S., Dagenham in the U.K., Moerdijk in the Netherlands, Newcastle in Australia and Singapore. Product handled (through-put) increased to 12.9 million cubic metres in 2015 from 11.2 million cubic metres in 2014. The increase in product handling was related to the increase in capacity.

1. Effective with the second quarter 2014, the Sailed-In Time-Charter index has been revised. The Stolt Tankers Joint Service Sailed-In Time-Charter index is an indexed measurement of the performance of the market in which the Joint Service operates. The sailed-in rate per operating day is a measure frequently used by shipping companies, which subtracts from a ship's operating revenue the variable costs associated with a voyage, primarily commissions, sublets, transshipments, port costs, and bunker fuel. The index has been set at 1.00 in the first quarter of 1996 and has been adjusted to exclude the impact of bunker hedge results, changes to the average ship size in the fleet and for the average inflation rate from 1996 onwards.

Operating Profit

Operating profit decreased to $38.9 million in 2015 from $64.7 million in 2014. There were a number of one-time items as follows:

(in thousands)		For the Years Ended November 30, 2015		2014
Terminal operating profit before one-time items	**$**	**43,871**	$	52,941
One-time items:				
Goodwill impairment in New Zealand		**(4,963)**		–
Release of unfavourable customer contract		**–**		3,800
Settlement of claims relating to Hurricane Isaac:				
Operating expenses – Business interruption insurance proceeds		**–**		5,950
Other income (expenses), net – reimbursement of expenses		**–**		2,050
Terminal operating profit	**$**	**38,908**	$	64,741

The decrease prior to one-time items was mainly due to a decrease in the average utilisation rate, an increase in operating expenses and lower share of profit in joint ventures, more than offsetting the increase in capacity discussed above.

Operating expenses increased to $102.4 million in 2015 from $90.9 million in 2014. The operating expenses in 2014 were impacted by the settlement of claims relating to Hurricane Isaac for $6.0 million. Excluding this one-time positive 2014 adjustment, operating expenses increased by $5.5 million mainly due to higher maintenance and repair and related personnel expenses in the Houston terminal, aimed at enhancing its future operational performance. There was also higher depreciation due to extra capacity and the acceleration of depreciation of certain assets in Australasia.

In 2015, $5.0 million of goodwill related to Stolthaven's terminal operations in New Zealand was impaired. This was a result of weakening market conditions and lower likelihood of renewing expiring land-lease contracts in New Zealand.

Share of profit of Stolthaven Terminal's joint ventures and associates decreased by $1.8 million partly as a result of the temporary closure of the terminal joint venture in Lingang, China after an explosion in the port of Tianjin in August 2015. The terminal awaits the renewal of operational permits from the Chinese government. In addition, the joint venture with Oiltanking in Antwerp had lower equity income as a result of the devaluation of the Euro.

STOLT TANK CONTAINERS (STC)

Operating Revenue

Stolt Tank Containers' revenue decreased to $510.3 million in 2015 from $539.6 million in 2014, due primarily to increased competition, a reduction in shipments and lower ocean freight and fuel costs. This was partially offset by increased demurrage revenue.

In 2015, STC handled 116,719 tank container shipments, compared with 117,887 shipments in 2014, a 1.0% decrease. Average utilisation decreased to 70.1% in 2015, from 74.6% in 2014. The fleet increased to 35,369 tank containers at the end of 2015 versus 34,260 tank containers at the end of 2014, due to the purchase of new tanks offset by the recycling of some older units.

STC's rates in most major markets declined because of the effects of lower ocean freight and trucking rates, as well as an increase in intra-regional shipments, which have lower transportation rates. STC's rates were also impacted by strong competition and the strong U.S. Dollar.

Operating Profit

Stolt Tank Containers' operating profit decreased to $63.3 million in 2015 from $70.1 million in 2014. There was a $6.8 million decrease in operating profit, with operating margins decreasing to 12.4% in 2015 from 13.0% in 2014. The decrease in operating margin was primarily due to margin pressure from strong competition as well as increased maintenance costs on the tank container fleet due to refurbishment of older units to extend their trading lives. Also impacting operating profit was an increase in depreciation and tank rental costs as a result of the increase in fleet size.

STOLT SEA FARM (SSF)

Operating Revenue

Stolt Sea Farm's revenue decreased by $6.4 million, or 10.1%, in 2015 from 2014, primarily due to the effect of the strong U.S. Dollar on European sales. Turbot volumes were down 4.1% from 2014, while prices were up by 4.5% on average for the year. Sole volumes increased by 77.4%, as a consequence of the Icelandic sole farm commencing full production in the latest year. Caviar volumes decreased during 2015 from the same period in 2014 by 12.3%, while prices remained steady.

Operating Profit (Loss)

Stolt Sea Farm had an operating profit of $0.4 million in 2015 versus an operating loss of $1.4 million in 2014, an increase of $1.8 million between the years. Of this, $2.9 million was due to the positive change in the fair market value of the biological assets between the periods. Partially offsetting this was higher depreciation and start-up and overhead costs related to the sole operations in Iceland.

CORPORATE AND OTHER

Excluding the gain on sale of AGHL shares and dilution gains for the years ended November 30, 2015 and 2014 of $3.0 million and $24.4 million, respectively, and the gain on the U.S. pension curtailment of $19.8 million in 2015, operating loss was $1.5 million in 2015 versus $4.4 million in 2014 due to lower share of profits from the LNG joint venture.

LIQUIDITY AND CAPITAL RESOURCES

	Summary Cash Flows	
(in thousands)	**2015**	2014
Net cash provided by operating activities:		
Net profit	**$ 133,104**	$ 78,086
Depreciation, impairment and amortisation	**222,030**	200,811
Share of profit of joint ventures and associates	**(49,887)**	(45,207)
Loss (gain) on disposal of assets	**1,170**	(14,913)
Finance expense and income	**101,215**	92,812
Income tax expense	**14,135**	15,068
Other adjustments to reconcile net profit to net cash from operating activities	**(17,795)**	13,758
Changes in working capital assets and liabilities	**(20,504)**	25,072
Contributions to defined benefit pension plans	**(3,853)**	(3,940)
Dividends from joint ventures and associates	**21,701**	17,872
Other	**(369)**	838
Cash generated from operations	**400,947**	380,257
Net interest paid, including debt issuance costs	**(103,517)**	(97,524)
Income taxes refunded (paid)	**1,761**	(12,320)
Net cash from operating activities	**299,191**	270,413
Cash flows from investing activities:		
Capital expenditures	**(286,287)**	(322,724)
Purchase of intangibles	**(2,178)**	(2,420)
Deposit for newbuildings	**(21,885)**	(7,295)
Purchase of Golar shares	**(99,871)**	–
Acquisition of non-controlling interest	**–**	(50,252)
Investment in and advances to joint ventures and associates	**(6,426)**	(10,941)
Proceeds from sale of ships and other assets	**53,771**	66,405
Other	**10,253**	1,445
Net cash used in investing activities	**(352,623)**	(325,782)
Net cash used for financing activities:		
(Decrease) increase in short-term bank loans	**(215,800)**	73,600
Repayment of long-term debt and finance lease obligations	**(273,825)**	(210,537)
Proceeds from issuance of long-term debt	**663,389**	282,848
Purchase of Treasury shares	**(26,687)**	(18,870)
Dividends paid	**(56,696)**	(58,170)
Other	**(89)**	423
Net cash provided by financing activities	**90,292**	69,294
Effect of exchange rate changes on cash	**(4,521)**	(3,506)
Net increase in cash and cash equivalents	**$ 32,339**	$ 10,419

Net Cash Provided by Operating Activities

In 2015, SNL generated cash from operations of $299.2 million, compared with $270.4 million in 2014. The increase in cash generated was due to an increase in cash generated from tanker operations, partially offset by an increase in cash in working capital.

Net Cash Used for Investing Activities

Cash used in investing activities was $352.6 million in 2015, compared with $325.8 million in 2014.

The most significant uses of cash for investing during 2015 were (i) capital expenditures of $286.3 million, which were $36.4 million lower than in 2014, (ii) deposits of $21.9 million for newbuildings, which were $14.6 million higher than in 2014, (iii) purchase of Golar shares for $99.9 million and (iv) investments and net advances to the Company's joint ventures and associates for $6.4 million. Offsetting the uses of cash were proceeds from the sale of 2.5 million AGHL shares, two ships, tank containers and other assets for $53.8 million, compared with $66.4 million in 2014.

Capital expenditures by business are summarised below:

	For the years ended November 30,	
(in thousands)	**2015**	2014
Stolt Tankers	**$ 90,660**	$ 74,548
Stolthaven Terminals	**133,020**	182,667
Stolt Tank Containers	**49,910**	50,691
Stolt Sea Farm	**3,336**	8,002
Corporate and Other	**9,361**	6,816
Total SNL	**$ 286,287**	$ 322,724

Capital expenditures for 2015 included (a) $129.8 million on terminal capital expenditures, (b) $49.9 million on the acquisition of tank containers and towards the construction of three depots, (c) $29.8 million for six second-hand ships and (d) $20.8 million for drydockings of ships. Interest of $6.2 million was capitalised on the new construction, primarily in Tankers and Terminals.

Net Cash Provided by Financing Activities

Net cash provided by financing activities totalled $90.3 million in 2015, compared with $69.3 million in 2014.

The principal uses of cash for financing activities in 2015 were (i) $56.7 million in dividend payments, versus $58.2 million in 2014, (ii) $273.8 million in repayment of long-term debt and finance leases, compared with $210.5 million in 2014, (iii) $26.7 million purchase of Treasury shares, versus $18.9 million in 2014 and (iv) net reduction in loans payable to banks of $215.8 million, versus additional borrowing of $73.6 million in 2014. The significant cash sources from 2015 financing activities included net proceeds of long-term debt issuances of $663.4 million, compared with $282.8 million in 2014. The 2015 debt issuances included $142.2 million from bond issuances, $250.0 million secured by the Houston terminal, $166.4 million secured by tank containers, $50.0 million top-off facility added to an existing facility with Danish Ship Finance A/S secured by eight owned ships, $32.0 million secured by the Singapore terminal and $5.4 million on a facility with ANZ Bank, New Zealand, secured by the Australasia terminals.

INDEBTEDNESS

SNL's total consolidated debt was $1,751.3 million in 2015 and $1,711.8 million in 2014, while unused short-term facilities were $526.4 million and $289.6 million, as of November 30, 2015 and 2014, respectively, as set forth in the table below:

	As of November 30,	
(in thousands)	**2015**	2014
Long-term debt (including current portion)	**$ 1,751,331**	$ 1,496,012
Committed short-term bank loans	**–**	185,000
Uncommitted short-term bank loans	**–**	30,800
Total debt on consolidated financial statements	**1,751,331**	1,711,812
Available unused facilities:		
Committed short-term bank loans	**416,354**	230,396
Uncommitted short-term bank loans	**110,000**	59,200
Total unused facilities	**526,354**	289,596
Total debt and unused facilities	**$ 2,277,685**	$ 2,001,408

Short-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. SNL classifies its revolving credit agreement as short-term debt, although the facility has been committed to by the banks for multiple years. Amounts borrowed pursuant to these facilities bear interest at rates ranging from 1.8% to 2.8% in 2015 and 0.2% to 2.8% in 2014. The weighted average interest rate was 2.6% for both the years ended November 30, 2015 and 2014. As of November 30, 2015 the available committed short-term credit lines amounted to $416.4 million, of which all was unused. Future availability is dependent on the amount of available collateral. Collateral values vary with fluctuations in ship prices. In addition, the Company has access to $110.0 million of uncommitted lines and overdraft facilities, for which all was unused. These can be withdrawn by the banks on short notice.

Long-Term Debt

Long-term debt consists of debt collateralised by mortgages on the Company's ships, tank containers and terminals, as well as the $601.1 million (NOK 5,250 million) unsecured bond financing. It does not include the off-balance sheet arrangements discussed below. SNL's long-term debt was $1,751.3 million and $1,496.0 million as of November 30, 2015 and 2014, respectively, as set forth below:

	As of November 30,	
(in thousands)	**2015**	2014
Long-term debt	**$ 1,751,331**	$ 1,496,012
Less: Current maturities	**(323,422)**	(242,151)
	$ 1,427,909	$ 1,253,861

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

SNL had the following changes in net debt, which is defined as short-term loans and long-term debt and finance leases, less cash and cash equivalents.

(in thousands)	**2015**	2014
Increase in cash and cash equivalents for the year	**$ (32,339)**	$ (10,419)
Cash inflow from increase in debt	**663,389**	356,448
Cash outflow from repayments of debt and finance leases	**(489,713)**	(210,547)
Change in net debt resulting from cash flows	**141,337**	135,482
Currency movements	**(131,239)**	(111,175)
Debt issuance costs and other movements	**(2,918)**	(1,167)
Movement in net debt in the year	**7,180**	23,140
Opening net debt	**1,666,606**	1,643,466
Closing net debt	**$ 1,673,786**	$ 1,666,606

During 2015 SNL met its liquidity needs through a combination of cash generated from operations, borrowings from commercial banks and proceeds from the sale of assets.

Generally, Stolt Tankers was able to operate with negative working capital by extending tight credit terms to customers, by keeping accounts receivable to a minimum, and by obtaining standard credit terms of 30 to 90 days from most suppliers. For Stolthaven Terminals and Stolt Tank Containers, a normal business operating cycle prevails with balanced credit terms. For Stolt Sea Farm, the production cycle for various farmed fish species is over several months to years, requiring a normal working capital to finance inventory.

Ships, terminals and tank containers can be an important source of liquidity, as these assets can be used to secure debt or can be sold and, if needed, leased back. SNL realised proceeds from the sale of ships, investments and other assets of $53.8 million in 2015, versus $66.4 million in 2014.

The Company believes that SNL's cash flow from operations and available credit facilities will continue to provide the liquidity necessary to satisfy the Company's working capital requirements and capital expenditures, as well as to make scheduled debt repayments, remain in compliance with SNL's financial covenants and satisfy the Company's other financial commitments for at least the next 12 months from March 9, 2016.

The Group monitors capital as net debt and shareholders' equity. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group monitors capital on the basis of the ratio of debt to tangible net worth (shareholders' equity less intangible assets and other components of equity). At November 30, 2015, shareholders' equity decreased by $99.7 million from November 30, 2014. This was due to the payment of dividends of $55.7 million, the purchase of Treasury shares for $24.6 million, and the change in other comprehensive income from foreign exchange, available-for-sale assets and hedging of $154.2 million. This reduction has resulted in debt to tangible net worth of 1.14 at November 30, 2015 from 1.16 at November 30, 2014. This is well below the 2.00 threshold included as a debt covenant in most of the Group's debt agreements.

As of November 30, 2015, SNL directly owned 71 ships and barges (including one bitumen ship) having a total net book value of $1,427.4 million. Of the 71 total ships and barges, seven barges and 11 ships with a total net book value of $89.4 million were unencumbered, while 61 ships with a total net book value of $1,338.0 million were collateralising total credit facilities of $961.2 million, of which $554.8 million was drawn down at year end. As of November 30, 2015, SNL also owned 17,316 tank containers that are unencumbered and 10,053 that are collateralising a secured borrowing of $166.4 million. SNL tank containers have a total net book value of $342.5 million.

In addition, as of November 30, 2015, SNL had 16 wholly owned terminals. The 100% owned Singapore terminal has secured bank loans with $136.1 million outstanding at November 30, 2015, and the Australasia terminals have secured a bank loan with $52.4 million outstanding. In February 2015, SNL entered into a $250.0 million loan with American International Group, which is secured by the terminal in Houston. As of November 30, 2015, SNL owned four terminals that were unencumbered with a total net book value of $311.2 million.

OFF-BALANCE SHEET ARRANGEMENTS

In addition to the obligations recorded on SNL's consolidated balance sheets, certain commitments that will result in future cash outlays are not recorded on the Company's consolidated balance sheets. In addition to long-term debt interest payments, these off-balance sheet arrangements consist of operating leases, committed capital expenditures and the retained and contingent interests discussed below.

Operating Leases

SNL's operating lease commitments were $397.2 million at November 30, 2015, compared with $443.6 million at November 30, 2014. As of November 30, 2015, SNL was obligated to make payments under long-term operating lease agreements for tankers, terminal facilities, tank containers, barges, computer and office equipment and offices. Certain of the leases contain clauses requiring payments in excess of the base amounts to cover operating expenses related to the leased assets.

Time Charter of Ships

SNL has entered into agreements with various Japanese ship owners for time charters of nine ships with stainless steel tanks. Over the last four years, SNL has purchased seven of these ships and two ships remain on time charter. The remaining time charters are for an initial period of 36 to 96 months and include the option for SNL to extend the agreements for up to nine additional years. SNL also has the option to purchase each ship at predetermined prices at any time after three years from the delivery of the ship. The contractual payment obligation schedule below includes the leases. These two operating leases, which are included in the total lease commitments of $397.2 million discussed above, had commitments for the initial periods of $6.0 million as of November 30, 2015 for 2016.

CONTRACTUAL OBLIGATIONS

SNL has various contractual obligations, some of which are required to be recorded as liabilities in the Consolidated Financial Statements. SNL's operating leases, committed capital expenditures, long-term debt interest payments and other executory contracts are not required to be recognised as liabilities on the Company's consolidated balance sheets. As of November 30, 2015, SNL's other purchase obligations were not material. The following summarises SNL's significant contractual obligations as of November 30, 2015, including those reported on the Company's consolidated balance sheet and others that are not:

(in thousands)	Total	Less than 1 yr	2-3 yrs	4-5 yrs	More than 5 yrs
Contractual cash obligations:					
Long-term debt[1]	$ 1,775,292	$ 326,447	$ 527,499	$ 355,326	$ 566,020
Finance leases	336	110	220	6	–
Operating leases	397,167	105,122	160,990	26,944	104,111
Committed capital expenditures	361,658	252,720	108,938	–	–
Long-term fixed rate debt interest payments	159,577	25,019	41,682	33,687	59,189
Long-term variable rate debt interest payments[2]	150,884	44,737	62,047	37,166	6,934
Derivative financial liabilities[2]	348,112	139,954	81,060	61,347	65,751
Pension and post-retirement benefit obligations[3]	2,400	2,400	–	–	–
Total contractual cash obligations:	$ 3,195,426	$ 896,509	$ 982,436	$ 514,476	$ 802,005

1. Excludes debt-issuance costs of $24.3 million.

2. Long-term variable rate debt interest payments and derivative financial liabilities are based on the rates in effect at November 30, 2015. Derivative financial liabilities are based on undiscounted cash flows.

3. Pension and post-retirement benefits contributions – SNL includes these amounts based on current estimates of contributions to the pension plans that may be required. The Company has not disclosed possible payments beyond the next 12 months due to the significant difficulty in forecasting these amounts with any accuracy.

FINANCIAL RISK MANAGEMENT

SNL is exposed to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on SNL's financial performance. This is covered in more detail in Note 32 to the financial statements.

CRITICAL ACCOUNTING ESTIMATES

In the preparation of SNL's financial statements, there are a number of areas where assumptions have been made about the future, management judgements and estimates. Such areas could experience a significantly different outcome should these assumptions, judgements and estimates differ from actual results. The key areas where estimates and judgements make significant differences are:

- Voyage revenue and costs;
- Depreciation and residual values;
- Impairment review of ships;
- Goodwill and intangible impairment testing;
- Investments in joint ventures and associates;
- Biological assets; and,
- Pension and other post-retirement benefits.

To obtain a better understanding of SNL's detailed accounting policies in these areas, please see Note 2 to the financial statements included in this Annual Report.

PRINCIPAL RISKS

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 principal risks and uncertainties for the next financial year are discussed below.

Bunker Fuel and Freight Costs

Bunker fuel constitutes one of the major operating costs of the tanker fleet and price changes can have a material impact on SNL's results. Although efforts are made to reduce the impact of price changes by passing bunker fuel costs through to customers or through the Company's bunker hedging programme, a significant portion is incurred solely by the Company. Approximately 69.7% of Stolt Tankers' STJS revenue in 2015 was derived from COA. During that same time period, approximately 96.0% of the revenue earned under COA was under contracts that included provisions intended to pass through fluctuations in fuel prices to customers. The profitability of the remaining Stolt Tankers' STJS revenue earned under COA and all spot revenue was directly impacted by changes in fuel prices, subject to the Company's hedging programme. In addition, the bunker surcharge clauses can result in the Company providing customers with rebates in periods of lower bunker prices. SNL's policy is to hedge a minimum of 50% of expected bunker purchases within the next 12 months, through either bunker surcharges included in COA or through hedging. Subsequent to year end, the Company has entered into a bunker hedging programme; the target is to fully hedge Stolt Tankers' bunker exposure not covered by bunker surcharge clauses in its COA.

For Stolt Tank Containers, the impact of increased freight costs due to tight capacity on container ships in select markets, additional surcharges and fluctuations in fuel prices can result in downward pressure on margins. Cost increases are passed on to customers when possible. Given quoted rate validity periods to customers, there is a negative impact on margins until rates can be increased, in periods of rising freight costs.

Tanker Industry Risk

The tanker industry is cyclical and volatile, which may lead to reductions and/or volatility in freight rates, volumes 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 are the majority of the products that the Company transports. Factors influencing demand include supply for products shipped, economic growth, environmental development and the distances that products are moved by sea. Factors influencing supply include the number of new ships and recycling of old ships, changes in regulations and availability of newbuildings at 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 decrease risk. Contract 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 actively manages its charter periods to allow a certain number of ships to be redelivered on short notice. 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 higher 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 second 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 shipbuilder;
- 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 in Lingang, China remains temporarily closed, awaiting the renewal of permits from the Chinese government to operate. This was after an explosion in the port of Tianjin.

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.

Project Development Risks

Stolthaven Terminals is working on various major expansion projects at its wholly owned and joint venture terminals. The development of terminal operations and jetties involves significant up-front investment in infrastructure and there are risks inherent in such developments, including political, regulatory, currency exchange, liquidity, financial, contractual and structural risks. The occurrence of one or more of these risk factors could delay the project and result in increased project costs. Different countries carry varying degrees of risk depending on social, cultural, political and financial development and stability. Efforts are made to mitigate these risks by employing local country and regional representatives to act as liaisons with local authorities and to devise appropriate mitigating actions.

Sea Farm Biological Asset Inventory Price Risk

All mature turbot and sole are held at fair value less costs of sale and costs related to harvest. Sturgeon and the caviar they produce are fair valued at the point of harvest. A fair-value adjustment is also made at the point when previously 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 season, competition, market conditions and existing supply. The fair-value adjustment recognised in the current year was a $1.3 million decrease in operating profit, compared with a $4.3 million decrease in 2014. There is a risk that the fair value adjustment recognised in a year could negatively impact SNL's income statement.

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, Chinese renminbi and the British pound. When there is a mismatch between revenue and expense currencies, any depreciation of the revenue currency relative to the expense currency will decrease profit margins.

On average in 2015, the U.S. Dollar appreciated by 10.9% against the euro, causing an increase in profit margins. This risk is partially mitigated through SNL's foreign currency hedging programme. SNL's policy is to hedge approximately 50% to 80% of the Company's expected future foreign currency exposure and 100% of its future committed capital expenditures denominated in foreign currencies.

Cyber 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.

Treasury Shares

At November 30, 2015, SNL held 9,021,941 treasury shares. See Note 28 in the consolidated financial statements and Note 11 in the Unconsolidated Stolt-Nielsen Limited Audited Financial Statements included as Appendix 1 of the consolidated financial statements.

Going Concern

The annual financial statements have been prepared under the going concern assumption.

Subsequent Events

See Note 34 in the consolidated financial statements for significant events occurring after November 30, 2015.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STOLT-NIELSEN LIMITED

REPORT ON THE GROUP FINANCIAL STATEMENTS

Our opinion

In our opinion, Stolt-Nielsen Limited's group financial statements (the "financial statements"):

- give a true and fair view of the state of the group's affairs as at 30 November 2015 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 1981 (Bermuda).

What we have audited

The financial statements, included within the Annual Report, comprise:

- the consolidated balance sheets as at 30 November 2015;
- the consolidated income statements and consolidated statements of comprehensive loss for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statements of changes in shareholders' equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law in Bermuda and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Responsibility Statement set out on page 115, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 90 of the Companies Act 1981 (Bermuda) and for no other purpose. We do not, in giving this opinion, 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OTHER MATTERS

We have reported separately on the company financial statements of Stolt Nielsen Limited for the year ended 30 November 2015.

PricewaterhouseCoopers LLP
Chartered Accountants
London
March 9, 2016

STOLT-NIELSEN LIMITED
CONSOLIDATED INCOME STATEMENTS

	For the years ended November 30,			
(in thousands, except per share data)		**2015**		2014
Operating Revenue (Notes 3 and 4)	**$**	**1,983,738**	$	2,137,854
Operating Expenses (Note 5)		**(1,595,984)**		(1,791,254)
Gross Profit		**387,754**		346,600
Share of profit of joint ventures and associates (Note 16)		**49,887**		45,207
Administrative and general expenses (Note 5)		**(206,363)**		(211,774)
U.S. pension curtailment gain (Note 25)		**19,813**		–
Restructuring expenses (Note 20)		**(4,132)**		(4,380)
(Loss) gain on disposal of assets, net (Note 7)		**(1,170)**		14,913
Other operating income		**826**		4,631
Other operating expense		**(447)**		(6,557)
Operating Profit		**246,168**		188,640
Non-Operating Income (Expense):				
Finance expense (Note 8)		**(105,596)**		(95,193)
Finance income (Note 8)		**4,381**		2,381
Foreign currency exchange gain (loss)		**356**		(1,736)
Other non-operating income (expense)		**1,930**		(938)
Profit before Income Tax		**147,239**		93,154
Income tax expense (Note 9)		**(14,135)**		(15,068)
Net Profit	**$**	**133,104**	$	78,086
Attributable to:				
Equity holders of SNL		**132,672**		77,141
Non-controlling interests		**432**		945
	$	**133,104**	$	78,086
Earnings per Share (Note 31):				
Net profit attributable to SNL shareholders				
Basic	**$**	**2.36**	$	1.33
Diluted	**$**	**2.36**	$	1.33

Notes 1 to 34 are an integral part of these consolidated financial statements.

STOLT-NIELSEN LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(in thousands)		For the years ended November 30, 2015		2014
Net profit for the year	**$**	**133,104**	$	78,086
Other comprehensive loss:				
Items that will not be reclassified subsequently to profit or loss:				
Actuarial gain (loss) on pension schemes (Note 25)		**4,467**		(35,180)
Deferred tax (expense) credit on actuarial gain (loss) on pension schemes (Note 9)		**(1,404)**		10,633
Actuarial loss on pension scheme of joint venture (Note 16)		**(1,370)**		–
Items that may be reclassified subsequently to profit or loss:				
Net loss on cash flow hedges (Note 21)		**(137,146)**		(121,941)
Reclassification of cash flow hedges to income statement (Note 21)		**133,093**		112,969
Net loss on cash flow hedge held by a joint venture and an associate (Note 16)		**(1,902)**		(2,311)
Deferred tax expense on cash flow hedges (Note 9)		**(38)**		(804)
Exchange differences arising on translation of foreign operations		**(83,570)**		(38,118)
Deferred tax credit (expense) on translation of foreign operations (Note 9)		**2,730**		(811)
Exchange differences arising on translation of joint ventures and associates (Note 16)		**(27,100)**		(14,329)
Change in value of available-for-sale financial asset (Note 17)		**(40,239)**		–
Other comprehensive loss for the year, net of tax		**(152,479)**		(89,892)
Total comprehensive loss	**$**	**(19,375)**	$	(11,806)
Attributable to:				
Equity holders of SNL	**$**	**(19,807)**	$	(11,498)
Non-controlling interests		**432**		(308)
Total comprehensive loss for the year	**$**	**(19,375)**	$	(11,806)

Notes 1 to 34 are an integral part of these consolidated financial statements.

STOLT-NIELSEN LIMITED
CONSOLIDATED BALANCE SHEETS

	As at November 30,	
(in thousands)	**2015**	2014
ASSETS		
Current Assets:		
Cash and cash equivalents (Note 10)	**$ 77,545**	$ 45,206
Restricted cash (Note 10)	**68**	65
Receivables (Note 11)	**202,758**	200,823
Inventories (Note 12)	**7,678**	9,177
Biological assets (Note 13)	**35,494**	39,052
Prepaid expenses	**55,301**	72,234
Income tax receivable	**2,369**	9,289
Asset held for sale (Note 15)	**–**	6,521
Other current assets	**45,193**	25,819
Total Current Assets	**426,406**	408,186
Property, plant and equipment (Note 15)	**2,785,231**	2,835,213
Investments in and advances to joint ventures and associates (Note 16)	**476,875**	514,831
Available for sale financial asset (Note 17)	**59,632**	–
Deferred tax assets (Note 9)	**18,768**	34,868
Intangible assets and goodwill (Note 18)	**43,843**	57,057
Employee benefit assets (Note 25)	**3,745**	4,010
Deposit for newbuildings	**65,655**	43,770
Other assets	**14,346**	16,857
Total Non-current Assets	**3,468,095**	3,506,606
Total Assets	**$ 3,894,501**	$ 3,914,792

(in thousands)		As at November 30, 2015		2014
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities:				
Short-term bank loans (Note 22)	**$**	**–**	$	215,800
Current maturities of long-term debt and finance leases (Note 23)		**323,422**		242,151
Accounts payable (Note 19)		**70,254**		105,434
Accrued voyage expenses		**59,529**		60,475
Dividend payable		**27,623**		28,584
Accrued expenses		**175,171**		166,202
Provisions (Note 20)		**5,598**		7,923
Income tax payable		**7,158**		5,303
Derivative financial instruments (Note 21)		**142,577**		41,799
Other current liabilities		**25,561**		32,115
Total Current Liabilities		**836,893**		905,786
Long-term debt and finance leases (Note 23)		**1,427,909**		1,253,861
Deferred tax liabilities (Note 9)		**58,195**		71,067
Employee benefit liabilities (Note 25)		**47,387**		72,529
Derivative financial instruments (Note 21)		**185,192**		169,135
Long-term provisions (Note 20)		**3,616**		5,598
Other liabilities		**6,073**		7,837
Total Non-current Liabilities		**1,728,372**		1,580,027
Shareholders' Equity (Note 28)				
Founder's shares		**16**		16
Common shares		**64,134**		64,134
Paid-in surplus		**314,754**		314,754
Retained earnings		**1,416,395**		1,337,768
Other components of equity		**(255,404)**		(101,232)
		1,539,895		1,615,440
Less – Treasury shares		**(214,416)**		(189,786)
Equity Attributable to Equity Holders of SNL		**1,325,479**		1,425,654
Non-controlling interests		**3,757**		3,325
Total Shareholders' Equity		**1,329,236**		1,428,979
Total Liabilities and Shareholders' Equity	**$**	**3,894,501**	$	3,914,792

Notes 1 to 34 are an integral part of these consolidated financial statements.

STOLT-NIELSEN LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Common Shares	Founder's Shares	Paid-in Surplus	Treasury Stock	Retained Earnings	Foreign Currency (a)	Hedging (a)	Fair Value (a)	Attributable to Equity Holders of SNL	Non-Controlling Interests	Total
Balance, December 1, 2013	**$ 64,134**	**$ 16**	**$ 338,282**	**$ (169,374)**	**$ 1,342,811**	**$ 1,091**	**$ (38,231)**	**$ –**	**$ 1,538,729**	**$ 20,991**	**$ 1,559,720**
Comprehensive income (loss)											
Net profit	–	–	–	–	77,141	–	–	–	77,141	945	78,086
Other comprehensive (loss) income											
Translation adjustments, net	–	–	–	–	–	(52,005)	–	–	(52,005)	(1,253)	(53,258)
Remeasurement of post-employment benefit obligations, net of tax	–	–	–	–	(24,547)	–	–	–	(24,547)	–	(24,547)
Net gain on cash flow hedges	–	–	–	–	–	–	(12,087)	–	(12,087)	–	(12,087)
Total other comprehensive loss	–	–	–	–	(24,547)	(52,005)	(12,087)	–	(88,639)	(1,253)	(89,892)
Total comprehensive income (loss)	–	–	–	–	**52,594**	**(52,005)**	**(12,087)**	–	**(11,498)**	**(308)**	**(11,806)**
Transactions with shareholders											
Exercise of share options of 18,375 Treasury shares	–	–	(92)	515	–	–	–	–	423	–	423
Purchase of 1,287,776 Treasury shares	–	–	–	(20,927)	–	–	–	–	(20,927)	–	(20,927)
Change in valuation on option with non-controlling interest	–	–	–	–	–	–	–	–	–	9,458	9,458
Purchase of non-controlling interest (Note 28)	–	–	(23,436)	–	–	–	–	–	(23,436)	(26,816)	(50,252)
Cash dividends paid–1.00 per Common share (b)	–	–	–	–	(57,566)	–	–	–	(57,566)	–	(57,566)
Cash dividends paid–$0.005 per Founder's share (b)	–	–	–	–	(71)	–	–	–	(71)	–	(71)
Total transactions with shareholders	**–**	**–**	**(23,528)**	**(20,412)**	**(57,637)**	**–**	**–**	**–**	**(101,577)**	**(17,358)**	**(118,935)**
Balance, November 30, 2014	**$ 64,134**	**$ 16**	**$ 314,754**	**$ (189,786)**	**$ 1,337,768**	**$ (50,914)**	**$ (50,318)**	**$ –**	**$ 1,425,654**	**$ 3,325**	**$ 1,428,979**
Comprehensive income											
Net profit	–	–	–	–	132,672	–	–	–	132,672	432	133,104
Other comprehensive income (loss)											
Translation adjustments, net	–	–	–	–	–	(107,940)	–	–	(107,940)	–	(107,940)
Remeasurement of post-employment benefit obligations, net of tax	–	–	–	–	1,693	–	–	–	1,693	–	1,693
Fair value adjustment on available-for-sale financial assets	–	–	–	–	–	–	–	(40,239)	(40,239)	–	(40,239)
Net loss on cash flow hedges	–	–	–	–	–	–	(5,993)	–	(5,993)	–	(5,993)
Total other comprehensive loss	–	–	–	–	1,693	(107,940)	(5,993)	(40,239)	(152,479)	–	(152,479)
Total comprehensive income (loss)	**–**	**–**	**–**	**–**	**134,365**	**(107,940)**	**(5,993)**	**(40,239)**	**(19,807)**	**432**	**(19,375)**
Transactions with shareholders											
Purchase of 1,707,171 Treasury shares	–	–	–	(24,630)	–	–	–	–	(24,630)	–	(24,630)
Cash dividends paid–$1.00 per Common share (c)	–	–	–	–	(55,669)	–	–	–	(55,669)	–	(55,669)
Cash dividends paid–$0.005 per Founder's share (c)	–	–	–	–	(69)	–	–	–	(69)	–	(69)
Total transactions with shareholders	**–**	**–**	**–**	**(24,630)**	**(55,738)**	**–**	**–**	**–**	**(80,368)**	**–**	**(80,368)**
Balance, November 30, 2015	**$ 64,134**	**$ 16**	**$ 314,754**	**$ (214,416)**	**$ 1,416,395**	**$ (158,854)**	**$ (56,311)**	**$ (40,239)**	**$ 1,325,479**	**$ 3,757**	**$ 1,329,236**

(a) Other components of equity on the balance sheet of $255.4 million and $101.2 million at November 30, 2015 and 2014, respectively, are composed of Foreign currency, Fair value and Hedging.

(b) The $57.5 million is the 2013 final and 2014 interim dividend for common shares and $0.1 million for Founder's shares.

(c) The $55.7 million is the 2014 final and 2015 interim dividend for common shares and $0.1 million for Founder's shares.

Notes 1 to 34 are an integral part of these consolidated financial statements.

STOLT-NIELSEN LIMITED
CONSOLIDAED STATEMENTS OF CASH FLOWS

	For the years ended November 30,	
(in thousands)	**2015**	2014
Cash generated from operations (Note 33)	**$ 400,947**	$ 380,257
Interest paid	**(100,746)**	(93,773)
Interest received	**1,313**	2,030
Debt issuance costs	**(4,084)**	(5,781)
Income taxes received (paid)	**1,761**	(12,320)
Net cash generated by operating activities	**299,191**	270,413
Cash flows from investing activities:		
Capital expenditures	**(286,287)**	(322,724)
Purchase of intangibles	**(2,178)**	(2,420)
Acquisition of non-controlling interest (Note 28)	**–**	(50,252)
Deposit for newbuildings	**(21,885)**	(7,295)
Proceeds from sales of ships and other assets	**53,771**	66,405
Purchase of Golar LNG Limited shares (Note 17)	**(99,871)**	–
Refund of progress payments on newbuildings (Note 26)	**10,953**	–
Investment in joint ventures and associates (Note 16)	**(20,079)**	(4,722)
Repayments from (advances to) joint ventures and associates, net (Note 16)	**13,653**	(6,219)
Other investing activities, net	**(700)**	1,445
Net cash used in investing activities	**(352,623)**	(325,782)
Cash flows from financing activities:		
(Decrease) increase in short-term bank loans, net (Note 22)	**(215,800)**	73,600
Proceeds from issuance of long-term debt (Note 23)	**663,389**	282,848
Repayment of long-term debt (Note 23)	**(273,825)**	(210,451)
Principal payments under finance lease obligations (Note 23)	**(89)**	(86)
Purchase of Treasury shares (Note 28)	**(26,687)**	(18,870)
Proceeds from exercise of share options	**–**	423
Dividends paid (Note 28)	**(56,696)**	(58,170)
Net cash provided by financing activities	**90,292**	69,294
Effect of exchange rate changes on cash	**(4,521)**	(3,506)
Net increase in cash and cash equivalents	**32,339**	10,419
Cash and cash equivalents at beginning of year	**45,206**	34,787
Cash and cash equivalents at end of year	**$ 77,545**	$ 45,206

Notes 1 to 34 are an integral part of these consolidated financial statements.

STOLT-NIELSEN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Stolt-Nielsen Limited (the "Company" or "SNL") and its subsidiaries (collectively, the "Group") is engaged in the business of transporting liquids which includes the tankers, tank containers and terminals divisions. The transportation business covers the worldwide transport, storage, and distribution of bulk liquid chemicals, edible oils, acids, and other specialty liquids.

The Group is also engaged in the seafood business, which is carried out through Stolt Sea Farm ("SSF"), and produces, processes and markets turbot, sturgeon, caviar and sole. Furthermore, the Group has an operation for the trading, storage and distribution of bitumen and, through Avance Gas Holding Ltd ("AGHL"), a 7.21% owned associate, the transportation of Liquefied Petroleum Gas ("LPG"). In the current year, the Group invested in 2.3% of Golar LNG Limited ("Golar"), which is an independent owner and operator of liquid nitrogen gas ("LNG") carriers, and is pursuing other opportunities in the LNG industry.

The Company is listed on the Oslo Stock Exchange under the ticker symbol SNI and is registered in Bermuda (Registration Number EC 44330).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements of the Group have been prepared using accounting policies consistent with International Financial Reporting Standards as adopted by the European Union ("IFRS").

The consolidated financial statements are prepared and published according to the provisions of the Bermudian Company law.

Separate financial statements of the Parent Company, Stolt-Nielsen Limited, are attached.

The presentation currency used in these consolidated financial statements is the U.S. dollar. The functional currency of the Company is the U.S. dollar.

Management believes that the Group's cash flows from operations and available credit facilities will continue to provide the cash necessary to satisfy the Group's working capital requirements and capital expenditures, as well as to make scheduled debt repayments, remain in compliance with the Group's financial covenants and satisfy the Group's other financial commitments for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Basis of measurement

The consolidated financial statements are prepared on the historical cost basis except for derivative financial instruments, available-for-sale assets, defined benefit plan assets and biological assets, all of which are stated at their fair value. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs of disposal.

New standards

The following pronouncements, issued by the International Accounting Standard Board ("IASB"), are not yet effective:

IFRS 9, Financial Instruments, includes requirements for recognition and measurement, derecognition and hedge accounting. It is expected to be effective on or after January 1, 2018.

IFRS 15, Revenue from Contracts with Customers, establishes the principles that an entity shall use to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. It is effective for periods after January 1, 2017.

IFRS 16, Leases ("IFRS 16"), was issued on January 13, 2016 and requires lessees to recognise assets and liabilities for most leases. This will result in an increase in lease assets and financial liabilities since all leases will be reported on the balance sheet, with the exception of short-term leases and leases of low-value assets. IFRS 16 will have a material impact on the financial statements of the Group and management is in the process of quantifying this impact for future disclosure in the financial statements for the year ending November 30, 2016. This accounting standard will be applicable to the Group for the year ending November 30, 2020.

Other than IFRS 16, the Group does not expect there to be a material impact on its Consolidated Financial Statements from these standards, apart from additional disclosures in the financial statements.

Accounting policies that became effective during the year

The new or amendments to standards which became effective for the Group in 2015 are noted below.

IFRS 10, Consolidated Financial Statements

IFRS 11, Joint Arrangements

IFRS 12, Disclosure of Involvement with other Entities

IAS 27, Separate Financial Statements (2011)

IAS 28, Investment in Associates and Joint Ventures (2011)

These standards did not have a material impact on the Group's Consolidated Financial Statements, other than disclosures in Note 16.

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists where either a parent entity is exposed, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. A parent entity has power over the subsidiary when it has existing rights to direct the relevant activities of the subsidiary. The relevant activities are those which significantly affect the subsidiary's returns. The ability to approve the operating and capital budget of a subsidiary and the ability to appoint key management personnel are decisions that demonstrate that the Group has the existing rights to direct the relevant activities of a subsidiary. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Foreign currency

(i) Foreign currency transactions

The individual financial statements of all Group companies are presented in the functional currency of the primary economic environment in which the subsidiaries and equity method investees operate.

Transactions in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the foreign exchange rate prevailing at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated while non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates prevailing at the dates the fair value was determined.

Foreign exchange differences arising on retranslation are recognised in the income statement, except for those differences arising from hedging and monetary balances with foreign operations where settlement is not planned and unlikely to occur, which are recorded in Other comprehensive income. Differences related to hedging of operating expenses are also recorded in operating expenses.

(ii) Foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated at foreign exchange rates prevailing at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates the foreign exchange rates at the dates of the transactions.

Other significant accounting policies

Accounting policies for individual balance sheet and income statement accounts are included in the respective footnotes.

Critical accounting judgements and key sources of estimation uncertainty

In connection with the preparation of the consolidated financial statements, management has made assumptions and estimates about future events, and applied judgements that affect the reported amounts of assets, liabilities, revenue, expenses and the related disclosures. The assumptions, estimates and judgements are based on historical experience, current trends and other factors that management believes to be relevant at the time the consolidated financial statements are prepared. Actual results may differ from these estimates. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgements to ensure that the financial statements are presented fairly and in accordance with IFRS and IFRIC Interpretations and Bermudian Company law, applied on a consistent basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the change affects both as per International Accounting Standard 8, Accounting Policies, Changes in Accounting Estimates and Errors.

Critical accounting estimates and judgements are those that have a significant risk of having a material impact on the consolidated financial statements. Management believes the following areas are the significant judgements and estimates used in the preparation of the Consolidated Financial Statements:

STOLT-NIELSEN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

VOYAGE REVENUE AND COSTS

Critical Accounting Judgement	Sources of Estimation Uncertainty	Effect if Actual Results Differ From Assumptions
The Group generates a majority of its revenues through its tanker segment from the transportation of liquids by sea and inland water under contracts of affreightment or through contracts on the spot market. Tankers follow the percentage of completion method with operating revenue and expenses recognised on each voyage leg. When computing the voyage revenue and costs, this recognition is first based on "budgeted voyage legs" that are reviewed and updated annually. After the voyage legs have begun they are updated for actual results and the latest updated estimates.	In applying the percentage of completion method, the revenues and expenses for voyages still in progress at the end of the reporting period are estimated and prorated over the period of the voyage leg. A voyage comprises one or more "voyage legs". For each voyage leg, estimates are made of revenue and related costs based on available actual information, current market parameters such as fuel cost and customer contract portfolios, and relevant historical data such as port costs. Revenue and cost estimates are updated continually through the voyage to account for changes in voyage patterns, to include the most up-to-date data and to finalise revenues and expenses.	The accrued voyage and prepaid voyage expense accounts are used to adjust revenues billed and vendor invoices received to the appropriate amounts to be recognised based on the percentage of completion method of accounting. Management does not believe there would be a material change if the percentage of completion method was based upon criteria other than voyage legs. However, if actual results are not consistent with estimates or assumptions, revenues or costs may be over or under-stated. At November 30, 2015 and 2014, the accrued voyage expense account was $41.7 million and $60.5 million, respectively, in which $23.6 million and $26.9 million related to the deferral of revenues. Prepaid expenses included $18.5 million and $16.1 million of prepaid invoices for voyages in progress applicable to periods subsequent to November 30, 2015 and 2014, respectively.

SHIP DEPRECIATION AND RESIDUAL VALUES

Critical Accounting Judgement	Sources of Estimation Uncertainty	Effect if Actual Results Differ From Assumptions
Ships are depreciated on a straight-line basis over the ships' estimated useful lives, after reducing for the estimated residual values. Estimated useful lives are based on past experience, expected future performance of the ships and management's estimate of the period over which the asset will provide economic benefit. Residual values are estimated based on the steel price, the estimated light displacement tonnage of the fleet and current trends in the price of recycling of ships. For the majority of the fleet, the steel price used is the average steel price for the last three years. For ships expected to be recycled in the near term, the steel price at the year end date is used. Both estimated useful lives and the residual values are evaluated annually and the effect of any change is considered as a revision of accounting estimates and the effect is reflected in the future depreciation charge.	Depreciation is based on the cost of the different components of the ships less their residual values and the estimated useful lives for similar ships in the industry. The key judgements and estimates involved are: – Estimated useful lives of the components of the ships which range from an estimated 25 to 33 years. However, actual lives of the components of parcel tankers or barges may be different depending on many factors such as quality of maintenance and repair and the type of product carried by the ships or barges and this may result in a shorter or longer life. – Residual values are difficult to estimate given the long lives of ships and barges, the uncertainty as to future economic conditions and the future price of steel, which is considered as the main determinant of the residual price.	If the estimated economic useful life is incorrect, or circumstances change such that the estimated economic useful life has to be revised, an impairment loss or additional depreciation expense could result in future periods. A decrease in the useful life of the ship or barge or fall in the residual value would have the effect of increasing the annual depreciation charge and potentially resulting in an impairment loss. If the residual value is over estimated, it would reduce the annual depreciation and overstate the value of the assets. See Note 15 for further details.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical Accounting Judgement	Sources of Estimation Uncertainty	Effect if Actual Results Differ From Assumptions

IMPAIRMENT REVIEW OF CHEMICAL TANKERS AND BARGES

Chemical Tankers and Barges ("Tankers") are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the fleet exceeds the recoverable amount. The impairment review also includes capital work in progress relating to the newbuildings.

As of November 30, 2015, the carrying amount of the Group was more than its market capitalisation. As a result, the Tankers' assets were evaluated for impairment for this Cash Generating Unit ("CGU").

Management measures the recoverable amount of these assets by comparing their carrying amount to the higher of their fair value less costs of disposal ("FVLCD") or value in use ("VIU").

VIU calculations prepared for impairment testing requires management to judge whether the carrying value of assets can be supported by the net present value of future cash flows that they generate. The calculation is based upon the future cash flows over the remaining useful lives of the ships. Calculating the net present value of the future cash flows requires assumptions to be made in respect of highly uncertain matters including management's expectations of:

- Future growth rates based on trends in industrial production.
- Supply-demand balance of chemical tankers.
- Sailed-In Rates per operating day (a profit measure of operating revenue less variable voyage expenses including bunker costs, on existing and future contract and the spot market).

The carrying values of the ships in the Tanker fleet may not represent their fair market value at any point in time since the short-term market prices of second-hand ships tend to fluctuate with changes in freight rates and the cost of newbuildings. Both charter rates and newbuilding costs tend to be cyclical in nature.

In order to assess impairment, we used projections in the approved budget and five-year plan as the basis for the cash flows used to calculate VIU. Based on management judgement and past experience, the following key assumptions were used in the VIU calculations:

- Pre-tax discount rate of 6.9% based on the weighted average cost of capital ("WACC"), which reflects specific risks relating to CGUs.
- The assumptions for the Sailed-In Rates growth during the projection period from 2017 to 2021 for the deep-sea fleet (adjusted for capacity changes) is an average of 2.7% and for the Regional fleets is 4.3%.
- A slow and minor recovery in the chemical tanker market is expected to start in 2018 after the newbuilding deliveries have been absorbed by the market.

The growth rate used in perpetuity beyond the projection period is 2% which does not exceed the long-term average inflation rate for the Tankers industry.

The impact of changes in the key assumptions used in the VIU calculations is described below.

An increase of 1% in the discount rate used in the present value calculation would not result in an impairment of the deep-sea ships. A 1% increase in the discount rate for the Regional fleets would result in a small impairment in one of the CGUs.

In addition, a 1% increase in the discount rate would result in one of the Group's joint ventures having an impairment of $4.8 million.

A projected 5% decrease in the deep-sea tanker Sailed-In Rates would not result in an impairment. In the case of the Regional fleet, a 5% decrease in the Sailed-In Rates would reduce the recoverable amount by $24.8 million and result in an impairment of $2.9 million in one of the CGUs.

In addition, one of the regional joint-ventures would show an impairment of $5.0 million.

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CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical Accounting Judgement	Sources of Estimation Uncertainty	Effect if Actual Results Differ From Assumptions

GOODWILL IMPAIRMENT TESTING

Critical Accounting Judgement

Goodwill is tested for impairment on an annual basis for each cash-generating unit to which the goodwill is allocated. When goodwill is monitored at the level of a group of CGUs, it is tested for impairment at that level. The Group's goodwill relates to the Tank Container and Terminal segments. The Group does not have any other indefinite lived intangible assets.

In order to calculate VIU, the Group uses projections from the approved budgets and five-year plans as the basis for the cash flows which are then discounted to calculate value in use.

The FVLCD measure is based on level 3 in the fair value hierarchy set out in IFRS 13.

Tank Containers

Goodwill of $14.5 million is allocated to the Tank Container CGU. The total carrying value of the CGU, including the goodwill, is $2,274.2 million. The recoverable amount for the Tank Container segment was based on FVLCD. Goodwill is allocated to the Tank Container segment which is the smallest identifiable group of assets (i.e., the tank container fleet) that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. FVLCD was based on a discounted cash flow basis using the approved projections in the five-year plan.

Terminals

For the Terminals segment, the goodwill relates to the acquisition of Marstel Holdings Pty Limited (now Stolthaven Australasia Pty Ltd). The goodwill of $5.0 million for New Zealand was fully impaired and written off during 2015. See further discussion in Note 18. Goodwill of $11.5 million allocated to Australia was tested for impairment.

The impairment test was based on the discounted cash flows based on the budget and five-year plan.

The recoverable amount for the Australia Terminals business is based on VIU.

Calculating the net present value of the future cash flows requires assumptions to be made in respect of highly uncertain matters including management's expectations of:

– Future escalation of price and cost increases.
– Customer rates on existing and future contracts and the spot market.
– Timing and quantum of future capital expenditures.
– Expected utilisation rates and throughput volumes.

Sources of Estimation Uncertainty

Tank Containers

The main source of estimation uncertainty is the application of the discount rate and future cash flows.

Based on management judgement and past experience, the following key assumptions were used in the projections:

– Post-tax discount rate of 6.1% based on the WACC for the risks specific to the tank container business.
– Future growth rates based on trends in industrial production. The growth rate used in perpetuity beyond the projection period is 2.0%.
– Future escalation of price and cost increases obtained from shipping and transportation carriers.
– Extent of capital expenditures from Tank Containers and competition.
– Future demand and supply.

Based on the above methodology, FVLCD was more than twice the current carrying value of the Tank Container segment's assets.

Terminals

The main source of estimation uncertainty is the application of the discount rate and future cash flows.

Based on management judgement and past experience, the following key assumptions were used in the projections:

– Pre-tax discount rates based on the WACC was 8.7% in Australia.
– The annual growth rate for revenues and costs in the initial five-year period was 2.0% for Australia. These rates have also been used in perpetuity in line with long-term inflation expectations.

Effect if Actual Results Differ From Assumptions

If the judgement applied in determining the recoverable amount of goodwill is incorrect or the fact pattern on which it is based changes, this could result in impairments being reflected in the consolidated financial statements.

Tank Containers

In the case of Tank Containers, the headroom based on the fair value less cost of disposal was more than twice the current segment value. The goodwill would be impaired if the EBITDA fell by 99.4%.

See Note 18 for further details related to goodwill.

Terminals

For the Australia CGU, an increase of 1% in the discount rate used in the present value calculation would not result in an impairment.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Critical Accounting Judgement

The consolidated financial statements include the Group's accounts and all other entities in which the Group has control, except where the control over the operations is limited by significant participating interests held by another investor in such operations.

Where the Group does not have control, either because of significant participating interests by other parties or presence of only significant influence or where there is joint control over an entity, the entity is accounted for using the equity method.

Control exists where either parent entity is exposed, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. A parent entity has power over the subsidiary when it has existing rights to direct the relevant activities of the subsidiary. The relevant activities are those which significantly affect the subsidiary's returns. The ability to approve the operating and capital budget of a subsidiary and the ability to appoint key management personnel are decisions that demonstrate that the Group has the existing rights to direct the relevant activities of a subsidiary.

Sources of Estimation Uncertainty

There are a number of areas where significant judgement is exercised to establish whether an entity needs to be consolidated or reported under the equity method of accounting. In order to establish whether an entity is a consolidated subsidiary, a joint venture or an associate, key areas of judgement include:

- Qualitative analysis of an entity including review of, among other factors, its capital structure, contractual terms, key decisions requiring unanimous approval, related party relationships and design of the entity
- Rights of partners regarding significant business decisions, including disposals and acquisitions of assets
- Board and management representation.
- Potential voting rights.
- Ability to make financing decisions.
- Approval of operating and capital budget and contractual rights of other shareholders.

The exercise of judgement on these areas determines whether a particular entity is consolidated as a subsidiary or accounted for under the equity method.

Effect if Actual Results Differ From Assumptions

If the judgement applied in determining the accounting treatment of an entity is incorrect or the fact pattern on which it is based changes, such entities may need to be consolidated or result in unexpected losses being reflected on the consolidated financial statements.

For example, it is possible that an investment is accounted for as a joint venture or associate using the equity method despite having an ownership interest exceeding 50% where it does not exercise direct or indirect control over the investee. To the extent that the Group is deemed to control these entities, the entities would have to be consolidated. This would affect the balance sheet, income statement, statement of cash flows and debt covenants.

See Note 16 for further details.

BIOLOGICAL ASSETS

Critical Accounting Judgement

The carrying value of biological assets as at November 30, 2015 was $35.5 million. Of this amount, $24.4 million related to turbot, $3.0 million related to sole and $8.1 million related to sturgeon for caviar.

All mature turbot weighing more than 300 grams, mature sole weighing more than 200 grams and mature sturgeon weighing more than 3 kilos are held at fair value less costs to sell, which includes costs of packaging and logistics. Gains and losses from changes in fair value are recognised in operating expenses in the income statement. Fair value is based upon achieved prices for harvested and marketed fish, reduced for packaging costs and freight costs.

Sources of Estimation Uncertainty

Determination of fair value requires significant judgement which includes the:

- Market price at the balance sheet date, which is often volatile and cyclical.
- Volume of future biomass and its size distribution.
- Average weight of mature biomass.
- Estimated current mortality.
- Future costs of production.
- Future mortality during harvesting and quality of the fish.

Effect if Actual Results Differ From Assumptions

The Group's net earnings can fluctuate due to the fair value adjustments on the biological assets at each balance sheet date.

A change in assumptions, such as price, can have a significant change on the valuation. For example, based upon November 30, 2015 turbot volumes, a change in the price of $1 per kilo would have an impact on the turbot valuation of $4.1 million.

See Note 13 for further details.

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CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical Accounting Judgement	Sources of Estimation Uncertainty	Effect if Actual Results Differ From Assumptions
PENSIONS AND OTHER POST-RETIREMENT BENEFITS		
The Group sponsors defined benefit pension plans and a supplemental executive retirement plan covering eligible employees. Net periodic pension costs and accumulated benefit obligations are determined in accordance with IAS 19R, "Employee Benefits," using a number of assumptions including the discount rate, the rate of compensation increases, retirement ages and mortality rates. These assumptions have a significant impact on the amounts reported. The Group's pension cost consists of service costs and interest costs. The Group also provides post-retirement benefits to eligible retired employees and their spouses. The post-retirement programme provides limited healthcare benefits. This plan is not funded.	Management considers a number of factors in developing the pension assumptions, including an evaluation of relevant discount rates, plan asset allocations, mortality, expected changes in wages and retirement benefits, analyses of current market conditions and input from actuaries and other consultants. Costs of the programmes are based on actuarially determined amounts and are accrued over the period from the date of hire to the full eligibility date of employees who are expected to qualify for these benefits.	A 0.25% point increase in the discount rate assumption for the defined benefit obligation would result in a decrease of $10.3 million and a 0.25% decrease in the discount rate assumption would result in an increase of $10.9 million in the defined benefit obligation. The effect of a 1% change in the assumed healthcare cost trends on the accumulated post-retirement benefit obligation at the end of 2015 would be an approximate $1.7 million increase or $1.4 million decrease. If more than one of these assumptions were changed simultaneously, the cumulative impact would not necessarily be the same as if only one assumption were changed in isolation. See Note 25 for further details.

3. BUSINESS AND GEOGRAPHIC SEGMENT INFORMATION

The Group has four reportable segments, which are Tankers, Tank Containers, Terminals and Stolt Sea Farm. The nature of these segments is described in Note 1. These reportable segments were determined based on the nature of the products and services offered. Reportable segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-maker in deciding how to allocate resources and in assessing performance. The Executive Management has been identified as the chief operating decision makers as they direct the allocation of resources to operating segments based on the operating profit (loss) and cash flows of each respective segment.

The "Corporate and Other" category includes Stolt Bitumen, the Company's investment in AGHL, Stolt LNGaz Ltd. ("Stolt LNGaz") and Golar, corporate-related items and the results of other insignificant operations not reportable under other segments.

The basis of measurement and accounting policies of the reportable segments are the same as those described in Note 2. Inter-segment sales and transfers are not significant and have been eliminated and not included in the following table. Indirect costs and assets have been apportioned between the segments of the Group on the basis of corresponding direct costs and assets. Interest and income taxes are not allocated.

The following tables show the summarised financial information, in U.S. thousand dollars, for each reportable segment and the underlying operating segments:

For the year ended November 30, 2015	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Corporate and Other	Total
Operating revenue	**$ 1,136,654**	**$ 217,422**	**$ 510,277**	**$ 57,317**	**$ 62,068**	**$ 1,983,738**
Depreciation and amortisation including drydocking and impairments	**(131,051)**	**(58,033)**	**(22,421)**	**(5,012)**	**(5,513)**	**(222,030)**
Share of profit of joint ventures and associates	**13,313**	**24,473**	**700**	**–**	**11,401**	**49,887**
Operating profit	**122,222**	**38,908**	**63,309**	**406**	**21,323**	**246,168**
Finance expense						**(105,596)**
Finance income						**4,381**
Profit before income tax						**147,239**
Income tax expense						**(14,135)**
Net profit						**133,104**
Balance Sheet						
Capital expenditures*	**112,808**	**121,248**	**54,291**	**3,441**	**8,636**	**300,424**
Investments in and advances to joint ventures and associates	**204,054**	**215,180**	**17,125**	**–**	**40,516**	**476,875**
Intangible assets and goodwill	**–**	**17,611**	**15,962**	**240**	**10,030**	**43,843**
Segment assets	**1,843,794**	**1,158,342**	**525,048**	**114,985**	**252,332**	**3,894,501**

For the year ended November 30, 2014	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Corporate and Other	Total
Operating revenue	$ 1,259,729	$ 214,022	$ 539,616	$ 63,743	$ 60,744	$ 2,137,854
Depreciation and amortisation including drydocking and impairments	(124,721)	(42,614)	(20,625)	(3,673)	(9,178)	(200,811)
Share of profit of joint venture and associates	3,760	26,258	983	–	14,206	45,207
Other operating income	152	3,963	97	–	419	4,631
Other operating expense	–	(1,872)	–	(730)	(3,955)	(6,557)
Operating profit (loss)	35,253	64,741	70,096	(1,413)	19,963	188,640
Finance expense						(95,193)
Finance income						2,381
Profit before income tax						93,154
Income tax expense						(15,068)
Net profit						78,086
Balance Sheet						
Capital expenditures*	84,953	159,702	53,098	8,002	10,037	315,792
Investments in and advances to joint ventures and associates	200,801	230,226	8,124	–	75,680	514,831
Intangible assets and goodwill	–	26,628	18,616	302	11,511	57,057
Segment assets	1,877,180	1,192,749	488,679	134,620	221,564	3,914,792

*Capital expenditures include additions to property, plant and equipment, deposits for newbuildings and intangible assets other than goodwill including additions resulting from acquisitions through business combinations.

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The following table sets out operating revenue by country for the reportable segments. Tankers, Tank Containers and Terminals operating revenue is allocated on the basis of the country in which the cargo is loaded. Tankers and Tank Containers operate in a significant number of countries. Revenues from specific foreign countries which contribute significantly to total operating revenue are disclosed separately. SSF operating revenue is allocated on the basis of the country in which the sale is generated.

(in thousands)	For the years ended November 30, 2015	2014
Operating Revenue:		
Tankers:		
U.S.	**$ 398,685**	$ 449,096
South America	**45,911**	56,069
The Netherlands	**94,872**	101,277
Other Europe	**171,465**	184,971
Malaysia	**63,830**	93,793
Other Asia	**179,009**	176,375
Middle East	**93,587**	103,600
Africa	**87,727**	93,958
Other	**1,568**	590
	$ 1,136,654	$ 1,259,729
Terminals:		
U.S.	**$ 111,699**	$ 107,210
Brazil	**17,210**	16,388
Australia and New Zealand	**33,913**	41,281
Singapore	**34,523**	28,878
The Netherlands	**7,230**	7,103
Great Britain	**12,847**	13,162
	$ 217,422	$ 214,022
Tank Containers:		
U.S.	**$ 108,636**	$ 114,504
South America	**28,891**	28,117
France	**36,524**	43,600
Germany	**22,680**	28,909
Other Europe	**78,520**	77,628
Singapore	**49,636**	57,396
Japan	**22,186**	23,326
China	**78,039**	84,494
Other Asia	**44,131**	46,655
Middle East	**31,564**	26,993
Other	**9,470**	7,994
	$ 510,277	$ 539,616
Stolt Sea Farm:		
U.S.	**$ 7,205**	$ 7,047
Great Britain	**1,213**	999
Norway	**774**	1,018
Spain	**26,838**	28,512
France	**7,002**	9,719
Italy	**8,770**	9,528
Iceland	**42**	–
Other Europe	**5,333**	6,764
Other	**140**	156
	$ 57,317	$ 63,743

There were no customers of Tankers, Tank Containers, Terminals or SSF segments that accounted for more than 10% of the consolidated operating revenue for the years ended November 30, 2015 and 2014.

The following table sets out non-current assets excluding long-term deferred income tax assets and long-term pension assets by country for the reportable segments. Non-current assets include property, plant and equipment, intangible assets, investments in and advances to joint ventures and associates and certain other non-current assets.

Non-current assets by country are only reportable for the Terminals and Sea Farm operations. Tanker and Tank Container operations operate on a worldwide basis and are not restricted to specific locations. Accordingly, it is not possible to allocate the assets of these operations to specific countries. The total net book value of non-current assets for Tankers amounted to $1,692 million and $1,720 million for the years ended November 30, 2015 and 2014, respectively, and for Tank Containers amounted to $426 million and $391 million, respectively.

	As of November 30,	
(in thousands)	**2015**	2014
Non-current Assets:		
Terminals:		
U.S.	**$ 334,796**	$ 327,506
Brazil	**38,918**	59,796
South Korea	**67,122**	62,430
United Kingdom	**80,102**	48,157
Belgium	**92,193**	108,792
The Netherlands	**52,368**	42,867
China	**44,145**	46,652
Australia and New Zealand	**138,939**	148,892
Singapore	**246,134**	246,448
Other	**7,293**	13,661
	$ 1,102,010	$ 1,105,201
Stolt Sea Farm:		
U.S.	**$ 4,420**	$ 4,700
Norway	**507**	388
Portugal	**1,165**	1,340
Iceland	**18,674**	20,497
Spain	**32,297**	39,614
France	**3,492**	4,793
	$ 60,555	$ 71,332

The Group has no material revenues or non-current assets in Bermuda, its country of domicile.

4. OPERATING REVENUE

Accounting policy

Operating revenue includes the gross inflows of economic benefits received or receivable by the Group and represents the amounts receivable for goods and services provided in the normal course of business, net of discounts and sales taxes.

(i) Tankers

Freight revenue, including bunker surcharge and other revenues, is recognised using the percentage of completion method, based upon an estimate on a pro-rated per day basis for the results of voyages in progress at the balance sheet date. Other revenue from services such as demurrage is recognised upon completion.

The Group operates the Stolt Tankers Joint Service (the "Joint Service"), an arrangement in which the Group acts as the principal for the delivery of services and provides the coordinated marketing, operation and administration of deep-sea intercontinental parcel tankers owned or chartered by the Group. As the Group acts as the principal in the arrangement, all revenue relating to the Joint Service is recognised on a gross basis in the income statement. Certain ships that are not owned by the Group are time chartered under operating leases by the Group from participants in the Joint Service. The time charter expense is calculated based upon the combined operating revenue of the ships which participate in the Joint Service less combined

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voyage expenses, overhead costs, and commissions to outside brokers and upon each ship's cargo capacity, its number of operating days during the period, and its assigned earnings factor.

(ii) Tank Containers

Revenue from logistics services using tank containers is recognised based on the percentage of time and effort required for each shipment at the period end. This recognises the greater significance of specific acts in the successful completion of the contract obligation. Revenue from services such as demurrage and other ancillary services is recognised upon completion of such services.

(iii) Terminals

Revenue for terminal operations primarily consists of rental income from the utilisation of storage tanks by customers and other ancillary terminal services provided, with the majority of rental income earned under annual contracts. These contracts generally provide for fixed rates for the use of the storage tanks and/or the throughput of products through the terminal facility. Revenue is also earned under short-term agreements contracted at spot rates. Revenue is recognised over the time period of usage or as services are provided.

(iv) SSF

SSF recognises revenue based on the terms of sale. Where the terms of sale are free on board, revenue is recognised on dispatch of products to customers. Revenue is recognised on delivery of products to customers, where the terms of sale are cost, insurance and freight and delivered duty paid. The amount recorded as revenue includes all amounts recognised according to the terms of sale, including shipping and handling costs billed to customers, and after deductions for claims or returns of goods, rebates and allowances against the price of goods.

An analysis of the Group's revenue for the year (excluding finance income – see Note 8), is as follows:

(in thousands)	For the years ended November 30, 2015	2014
Revenue from the rendering of services	**$ 1,876,881**	$ 2,025,625
Revenue from the sale of goods	**106,857**	112,229
	$ 1,983,738	$ 2,137,854

5. EXPENSES

Accounting policy

(i) Tankers

Tankers operating expenses include costs directly associated with the operation and maintenance of the parcel tankers. These types of costs include time charter costs, bunker fuel costs, port costs, manning costs (for example, ship personnel and benefits), depreciation expense, sublet costs, repairs and maintenance of tankers, commission expenses, barging and transshipments costs, canal transit costs, insurance premiums and other ship owning expenses (for example, agency fees, provisions, ship supplies, cleaning, cargo survey costs and foreign exchange hedging costs).

(ii) Tank Containers

Operating expenses of tank containers consist of costs directly associated with the operation and maintenance of the tank containers. These types of costs include ocean and inland freight charges, short-term tank rental expenses, cleaning and survey costs, additional costs (services purchased and charged through to customers), maintenance and repair costs, storage costs, insurance premiums, depreciation expense and other operating expenses (for example, depot expenses, agency fees and refurbishing costs).

(iii) Terminals

Operating expenses of terminals consist of costs directly associated with the operation and maintenance of the terminals. These types of costs include labour and employee benefit costs, depreciation expense, utilities, rail car hire expenses, real estate taxes for sites, maintenance and repair costs, regulatory expenses, disposal costs, storage costs and other operating expenses (for example, insurance, survey costs, cleaning, line haul, rail costs and tank car hire costs).

(iv) SSF

SSF operating expenses include production cost of goods sold ("PCOGS"), which are costs incurred for the production of juvenile fish and the subsequent growing of juvenile fish into adult fish ready for market. These PCOGS include costs to produce eggs for fertilisation, on-site labour/personnel costs, feed costs, energy costs, contract grower fees, repairs and maintenance costs, oxygen costs, and veterinary fees. Other costs included within operating expenses are costs of fish purchased from third parties, freight costs to customers, all primary and secondary processing and packaging costs, distribution and handling costs, storage, import duties, inventory write downs, mortality losses and fair value movements.

Operating expenses comprised the following:

(in thousands)	For the years ended November 30, 2015	2014
Bunker fuel costs	**$ 218,056**	$ 369,747
Depreciation and amortisation (including impairment of $5.0 million in 2015)	**222,030**	200,811
Charter and lease expenses	**217,743**	229,943
Ocean and inland freight charges	**196,676**	230,008
Employee benefit expenses	**160,057**	160,072
Port charges	**131,400**	141,790
Maintenance and repairs	**61,421**	64,527
Bitumen purchases and expenses	**41,563**	38,247
Ship supplies and provisions	**36,865**	36,466
Expenses related to biological assets *	**36,276**	38,788
Insurance	**33,707**	34,716
Cleaning costs	**33,337**	35,898
Facilities and utilities	**27,071**	27,368
Storage and other tank container move related costs	**25,940**	23,497
Repositioning of tank containers	**25,399**	24,461
Tank container ancillary billable costs	**24,124**	27,736
Commissions	**24,025**	24,622
Sublet expenses	**16,624**	20,693
Rail expenses	**13,806**	11,751
Voyage costs	**13,178**	18,642
Barging and transshipments	**7,643**	8,626
Foreign exchange loss	**4,682**	710
Biological assets market valuation adjustment	**1,349**	4,276
Other expenses	**23,012**	17,859
Total operating expenses	**$ 1,595,984**	$ 1,791,254

*Including $12.7 million and $13.3 million of employee benefit expenses for the years ended November 30, 2015 and 2014, respectively.

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An analysis of administrative and general expenses is as follows:

	For the years ended November 30,	
(in thousands)	**2015**	2014
Employee benefit expenses	**$ 157,449**	$ 158,015
Information systems	**12,708**	13,239
Other professional fees	**7,420**	9,036
Travel and entertainment expenses	**7,145**	8,497
Office lease expenses	**7,076**	7,266
Office expenses	**6,089**	5,718
Investor relations and publicity	**2,076**	2,276
Legal fees	**2,049**	2,533
Communication expenses	**1,848**	2,430
Bank non-interest fees	**1,485**	1,462
Other	**1,018**	1,302
Total administrative and general expenses	**$ 206,363**	$ 211,774

For the year ended November 30, 2015, 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 year ended November 30, 2015 and shown separately on the Consolidated Income Statement. See Note 25 for further discussion.

Other operating expenses were $0.4 million and $6.6 million for the years ended November 30, 2015 and 2014, respectively. Included in 2014 were $1.1 million of clean up and repair expenses related to damages sustained at the New Orleans terminal from Hurricane Isaac. In addition, a write-down in connection with the formation of Stolt LNGaz for $3.9 million for the year ended November 30, 2014 was included.

An analysis of employee benefit expenses included in operating expenses and administrative and general expenses is as follows:

	For the years ended November 30,	
(in thousands, except employee data)	**2015**	2014
Salaries	**$ 231,897**	$ 236,081
Social security expenses	**17,036**	16,508
Pension expenses for defined contribution plans (Note 25)	**15,840**	12,147
Profit sharing and long-term incentive programmes	**15,166**	9,129
Travel and relocation	**12,645**	9,982
Insurance	**10,372**	10,686
Training	**6,659**	8,874
Temporary and contract employees	**6,026**	5,727
Pension expenses for defined benefit plans and post-retirement benefit plan (Note 25)	**3,413**	7,746
Expatriate expenses	**2,592**	2,927
Other benefits	**8,919**	11,544
Total employee benefit expenses	**$ 330,565**	$ 331,351
Average number of employees:		
Tankers*	**4,192**	4,114
Tank Containers	**743**	678
Terminals	**573**	551
Sea Farm	**367**	362
Other	**76**	61
Total average number of employees	**5,951**	5,766

*Including seafarers working on joint venture or third-party managed ships.

6. AUDITORS' REMUNERATION

The analysis of auditors' remuneration is as follows:

	For the years ended November 30,	
(in thousands)	**2015**	2014
Fees payable to the Group auditors for the audit of the consolidated and stand alone accounts	**$ 2,583**	$ 2,561
Fees payable to the Group auditors and associates for other services as detailed below*	**908**	1,050
Total fees	**$ 3,491**	$ 3,611
Tax services	**254**	118
Quarterly reviews	**297**	305
Other	**357***	627*
Total non audit fees	**$ 908***	$ 1,050*

The audit and non audit fees relate to PricewaterhouseCoopers LLP.

*Includes $258,000 (2014: $594,000) relating to services to the Group's associates and joint ventures.

7. (LOSS) GAIN ON DISPOSAL OF ASSETS

(Loss) gain on disposal of assets, net, comprised the following:

	For the years ended November 30,	
(in thousands)	**2015**	2014
Loss on sale of ships and barges	**$ (3,158)**	$ (4,343)
(Loss) gain on sale of tank containers	**(1,407)**	388
Gain on sale of AGHL shares	**3,032**	19,654
Gain (loss) on sale of other assets	**363**	(786)
	$ (1,170)	$ 14,913

During 2015, deep-sea Tankers recorded a net loss of $3.2 million on the sale of the *Stolt Avocet* and *Stolt Egret*. Tank Containers recorded a net loss of $1.4 million, including $1.5 million for losses related to the recycling and expected recycling of over 850 Tank Containers-owned tanks. Stolt-Nielsen Gas sold 2.5 million of AGHL for $40.0 million, resulting a gain on sale of $3.0 million. See Note 16 for further discussion.

During 2014, Stolt-Nielsen Gas sold 2.9 million AGHL shares for a gain of $19.7 million. In addition, Tankers recorded a net loss of $4.3 million on the sale of the *Stolt Markland*, *Stolt Lausanne* and the *Stolt Tern*. See further discussion of the *Stolt Markland* in Note 15.

8. FINANCE EXPENSES AND INCOME

Accounting policy

(i) Finance expenses

Finance expenses are recognised in the income statement as they accrue, using the effective interest method.

For finance leases, lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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(ii) Finance income

Finance income is recognised in the income statement as it accrues, using the effective interest method.

	For the years ended November 30,	
(in thousands)	**2015**	2014
Finance expense		
Interest on loans	**$ 80,925**	$ 79,057
Realised loss on interest rate swaps (Note 21)	**22,116**	13,032
Commitment fees	**3,230**	4,813
Interest on obligations under finance leases	**19**	24
Other interest expense	**4,011**	6,359
Total interest expense	**110,301**	103,285
Less interest capitalised to property, plant and equipment	**(6,183)**	(8,092)
Add reversal of interest previously capitalised to property, plant and equipment for the Bitumen newbuilding (Note 26)	**1,478**	–
	$ 105,596	$ 95,193
Finance income		
Interest from Bitumen newbuilding cancellation	**$ 1,872**	$ –
Interest from joint ventures (Note 14)	**1,538**	1,196
Bank deposits interest	**824**	770
Other	**147**	415
	$ 4,381	$ 2,381

The average interest rate used to capitalise the interest to property, plant and equipment was 5.25% for 2015 and 2014. See further discussion of the Bitumen newbuilding cancellation at Note 26.

9. INCOME TAX

Accounting policy

Income tax represents the sum of current tax and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or Other comprehensive income, in which case it is recognised in equity or in Other comprehensive income.

Current tax is the sum of tax payable in respect of the taxable profit for the current year and any adjustment to tax payable in respect of previous years. Taxable income differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used in the calculation of taxable income. The following temporary differences are not provided for: the initial recognition of goodwill for which no tax deduction is available; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination and differences relating to investments in subsidiaries and joint ventures if it is probable that the temporary difference will not reverse in the foreseeable future and the Group can control the reversal. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and recognised only to the extent that it is probable that sufficient future taxable income will be available to allow the asset to be utilised based on Board approved budgets and up-to-date expectations of future trading.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off. Current tax assets are set off against current tax liabilities when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Company is incorporated in Bermuda which is a non-taxable jurisdiction.

The following tables present the components of the income tax expense for the years ended November 30, 2015 and 2014:

(in thousands)	For the years ended November 30, 2015	2014
Current income tax expense	$ **8,367**	$ 6,199
Adjustments in respect of prior years	**(1,228)**	(1,445)
	7,139	4,754
Deferred income tax expense	**9,514**	13,638
Adjustments in respect of prior years	**(2,518)**	(3,324)
	6,996	10,314
Total income tax expense	$ **14,135**	$ 15,068

The following reconciles the actual income tax expense to income taxes computed at the Bermuda statutory tax rate:

(in thousands)	For the years ended November 30, 2015	2014
Profit before income tax expense	$ **147,239**	$ 93,154
Tax at the Bermuda statutory tax rate	$ **–**	$ –
Differences between the Bermuda and other tax rates	**26,800**	19,515
Non-taxable income and disallowed expenses	**(8,872)**	(7,775)
Changes in the recognition of tax losses	**(257)**	7,961
Adjustments in respect of prior years	**(3,746)**	(4,769)
Other differences, net	**210**	136
Total income tax expense	$ **14,135**	$ 15,068

Substantially all of the Group's international shipping operations are carried out in subsidiaries incorporated in the Netherlands, which imposes income tax on a fixed profit calculated by reference to the deadweight tonnage of the ships in the fleet rather than on the operating profits of the business. Based on the calculation, the Group incurred tax in the Netherlands of $0.5 million and $0.6 million for the years ended November 30, 2015 and 2014, respectively.

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The following are the major deferred tax (liabilities) assets recognised and the movement thereon:

(in thousands)	Accelerated tax depreciation	Retirement benefit obligations	Tax losses	Derivatives	Other	Total
Balance, December 1, 2013	**$ (73,721)**	**$ 12,018**	**$ 30,859**	**$ 1,009**	**$ (6,257)**	**$ (36,092)**
(Charge) credit to income statement	(13,188)	1,777	(4,331)	(205)	5,633	(10,314)
Credit (charge) to Other comprehensive income	–	10,633	–	(804)	(811)	9,018
Exchange differences	1,591	(124)	(1,322)	–	1,044	1,189
Balance, November 30, 2014	**$ (85,318)**	**$ 24,304**	**$ 25,206**	**$ –**	**$ (391)**	**$ (36,199)**
(Charge) credit to income statement	(1,052)	(7,924)	2,740	–	(760)	(6,996)
(Charge) credit to Other comprehensive income	–	(1,404)	–	–	2,640	1,236
Exchange differences	4,078	107	(2,064)	–	411	2,532
Balance, November 30, 2015	**$ (82,292)**	**$ 15,083**	**$ 25,882**	**$ –**	**$ 1,900**	**$ (39,427)**

Certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	As of November 30,	
(in thousands)	**2015**	2014
Deferred tax liabilities	**$ (58,195)**	$ (71,067)
Deferred tax assets	**18,768**	34,868
	$ (39,427)	$ (36,199)

As of November 30, 2015, the Group has unused federal tax losses of $108.1 million (2014: $106.0 million) and unused regional tax losses of $86.1 million (2014: $98.5 million as adjusted for state tax rates) available for offset against future profits. A deferred tax asset has been recognised in respect of all such losses as of November 30, 2015 and 2014.

Deferred income tax liabilities of $68.2 million at November 30, 2015 (2014: $59.2 million) have not been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries. Such amounts are considered permanently reinvested. Unremitted earnings totalled $1.4 billion at November 30, 2015 (2014: $1.3 billion).

10. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Accounting policy

Cash and cash equivalents comprise cash balances and short-term time deposits of less than three months, which are subject to an insignificant risk of changes in value.

	As of November 30,	
(in thousands)	**2015**	2014
Cash deposit	**$ 51,806**	$ 37,717
Short-term time deposits	**25,739**	7,489
Cash and cash equivalents	**$ 77,545**	$ 45,206
Restricted cash	**$ 68**	$ 65

Cash and cash equivalents comprise cash and short-term time deposits held by the Group. No cash or cash equivalents were placed as collateral at November 30, 2015 and 2014.

Included in Other current assets was $13.4 million of cash collateral relating to the cross-currency interest rate swaps which was held by certain financial institutions at November 30, 2015.

11. RECEIVABLES

Accounting policy

Accounts receivable are initially valued at their fair value and subsequently at amortised cost. Accounts receivable are subject to value adjustments where their recovery is compromised. The provision is calculated as the difference between the accounts receivable carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. These adjustments are not continued if the reasons for which the adjustments were made have ceased to apply. Subsequent recoveries of receivables previously written off are recorded as a reduction in Operating expenses.

	As of November 30,	
(in thousands)	**2015**	2014
Customer trade receivables	**$ 206,977**	$ 204,218
Accrued revenue	**9,697**	8,292
Insurance	**1,569**	685
Withholding and value added tax receivable	**39**	185
Other	**2,086**	3,555
	220,368	216,935
Allowance for doubtful accounts on customer receivables	**(17,610)**	(16,112)
	$ 202,758	$ 200,823

Customer trade receivables, net of allowance for doubtful accounts, were $189.4 million and $188.1 million as of November 30, 2015 and 2014, respectively.

See Note 32 for an analysis of the credit risk of receivables.

12. INVENTORIES

Accounting policy

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle and includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of items transferred from biological assets to inventory is the fair value less costs to sell at the date of harvest.

Inventories as of November 30, 2015 and 2014 consisted of the following:

November 30, 2015 (in thousands)	**Terminals**	**SSF**	**Bitumen**	**Other**	**Total**
Raw materials	**$ 138**	**$ 221**	**$ 54**	**$ 9**	**$ 422**
Consumables	**79**	**–**	**5**	**1,765**	**1,849**
Finished goods	**–**	**3,217**	**2,190**	**–**	**5,407**
	$ 217	**$ 3,438**	**$ 2,249**	**$ 1,774**	**$ 7,678**

November 30, 2014 (in thousands)	Terminals	SSF	Bitumen	Other	Total
Raw materials	$ 66	$ 347	$ 94	$ 8	$ 515
Consumables	109	–	9	1,380	1,498
Finished goods	–	4,074	3,090	–	7,164
	$ 175	$ 4,421	$ 3,193	$ 1,388	$ 9,177

The cost of inventory included in Operating expenses in 2015 and 2014 was $36.3 million and $38.8 million for Stolt Sea Farm and $41.6 million and $38.2 million for Bitumen, respectively. Bitumen finished goods inventory consists of bitumen acquired for future sale. Bunkers of $9.1 million and $13.8 million were included in prepaid expenses at November 30, 2015 and 2014, respectively.

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13. BIOLOGICAL ASSETS

Accounting policy

Biological assets primarily comprise turbot, sole and sturgeon, which include fish with and without an active market for sale ('mature' and 'juvenile' fish), which are farmed by the Group.

(i) Turbot and Sole

Turbot is considered as 'mature' when it weighs more than 300 grams, while juvenile turbot weighs less than 300 grams. Sole is considered mature at 200 grams. All mature turbot and sole are held at fair value less costs to sell and costs related to packaging. Gains and losses from changes in fair value are recognised in the income statement. Fair value is determined on the basis of quoted prices in the principal market for the fish, where such information is available. The fair value adjustment on biological assets has no cash impact and does not affect the result of operations before unrealised fair value adjustments.

Juvenile turbot and sole are carried at cost less provision for impairment as management does not believe that reliable fair values exist. This approach is used to measure juvenile turbot and sole for the following reasons:

- *There is no active market for juvenile turbot or sole.*
- *A non-active market price based upon discounted cash flows requires a number of variables and assumptions which historically cannot be reliably determined. Key variables and assumptions for turbot and sole include mortality rate, time to maturity, rate of growth and market price at the point of harvest. Given the specific circumstances for juvenile assets, any assumptions are subjective.*
- *The extent of these uncertainties also results in difficulty in determining the appropriate discount rate.*

A fair value adjustment is made at the point when previously juvenile turbot and sole is considered to mature. These fair value adjustments are recognised in the income statement.

After harvest, the produce from harvest is treated as inventory and the fair value at the point of harvest is treated as the cost of the inventory.

(ii) Sturgeon

Sturgeon are 'mature' when they reach 3 kilos per fish. The fair value of mature sturgeon is estimated at market value less costs to sell and costs related to packaging estimated based on the meat price of sturgeon and its weight.

Sturgeon and caviar that the sturgeon produces are fair valued at the point of harvest. After harvest, the caviar produced from harvest is treated as inventory and the fair value at the point of harvest is treated as the cost of the inventory. The fair value adjustment on biological assets has no cash impact and does not affect the result of operations before unrealised fair value adjustments.

There is no active market for juvenile sturgeon. They are therefore carried at cost less provision for impairment for the same reasons as those stated above for the juvenile turbot and sole.

Biological assets in the balance sheet

	As of November 30,	
(in thousands)	**2015**	2014
Turbot and sole	**$ 27,441**	$ 32,457
Sturgeon	**8,053**	6,595
	$ 35,494	$ 39,052

Biological assets are the work in process: live turbot, sturgeon and sole in the process of production. The biological assets are transferred to inventory after being harvested.

Reconciliation of changes in book value of turbot and sole

(in thousands)	As of November 30, 2015	2014
Balance at December 1,	$ 32,457	$ 34,902
Increases due to production and purchases	36,976	44,408
Loss from change in fair value	(1,496)	(3,095)
Effect of changes in foreign currency rates	(4,668)	(2,453)
Decreases due to mortalities	(1,363)	(2,075)
Transfer to inventory	(34,465)	(39,230)
Balance at November 30,	$ 27,441	$ 32,457

Reconciliation of changes in book value of sturgeon

(in thousands)	As of November 30, 2015	2014
Balance at December 1,	$ 6,595	$ 5,073
Increases due to production and purchases	6,139	3,938
Gain (loss) from change in fair value	147	(1,181)
Decreases due to mortalities	(661)	(443)
Transfer to inventory	(4,167)	(792)
Balance at November 30,	$ 8,053	$ 6,595

Fair value adjustments on biological assets in the balance sheet

(in thousands)	As of November 30, 2015	2014
Work in process, turbot and sole	$ 1,390	$ 3,515
Work in process, sturgeon	147	–
Total fair value adjustment included in the balance sheet	$ 1,537	$ 3,515

Fair value adjustments on biological assets in the income statement

(in thousands)	For the years ended November 30, 2015	2014
Work in process, turbot and sole	$ (1,496)	$ (3,095)
Work in process, sturgeon	147	(1,181)
Total fair value adjustment recognised in the income statement	$ (1,349)	$ (4,276)

Volumes of biomass (in tonnes)

(in thousands)	As of November 30, 2015	2014
Volume of biomass harvested during the year (live weight)	5,689	5,635
Volume of biomass in the water at year-end (live weight)	4,546	4,122

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Value of juvenile biological assets at cost

	As of November 30,	
(in thousands)	**2015**	2014
Turbot and sole	**$ 3,510**	$ 7,312
Sturgeon	**199**	6,595

The income statement impact relating to the change in carrying value when juvenile assets have reached maturity is immaterial for the years ended November 30, 2015 and 2014.

The Group is exposed to risks arising from fluctuations in the price of turbot, sole and caviar and monitors the effect of price changes on profitability.

14. RELATED PARTY TRANSACTIONS

The Group is ultimately controlled by trusts for the benefit of the Stolt-Nielsen family. There are no other transactions between the Group and the Stolt-Nielsen family, other than those described below.

Employee and officer loans and advances

Included in "Other current assets" are loans and advances to employees and officers of the Group of $0.2 million and $0.4 million as of November 30, 2015 and 2014, respectively. In addition, included in "Other assets" are loans and advances to employees and officers of the Group of $0.5 million and $0.4 million at November 30, 2015 and 2014, respectively. Such loans and advances primarily represent secured housing loans that have been provided to key employees in connection with their relocation, along with advances for travel and other costs. Of the total loans and advances, $0.5 million were interest bearing, with interest rates ranging from 6.0% to 7.0% as of November 30, 2015 and 2014. Interest received was less than $0.1 million for both 2015 and 2014.

Board of Directors and key management compensation

Key management includes the Executive Officers and Presidents of the Group's major businesses. Total compensation and benefits of the Board of Directors and the key management were as follows:

	For the years ended November 30,	
(in thousands)	**2015**	2014
Board fees	**$ 490**	$ 605
Salary and benefits	**5,629**	5,848
Profit sharing	**1,546**	649
Long-term incentives	**819**	733
Pension cost	**1,007**	729
Total compensation and benefits	**$ 9,491**	$ 8,564
Average number of key managers included	**10**	8

At the end of 2015 the Board of Directors consisted of five members.

A member of the Board of Directors has a partial ownership of a company which supplies provisions for the Group. The amount paid to the company by the Group in 2015 and 2014 was $0.4 million and $0.5 million, respectively.

The Group has a 24.99% interest in Norterminal A.S. which is a company working on storage projects in northern Norway. The remaining 75.01% of Norterminal A.S. is controlled by S-N Terminal A.S., a company wholly owned by Jacob B. Stolt-Nielsen, one of SNL's directors. As of November 30, 2015, the Group's investment in Norterminal A.S. was $4.5 million.

Transactions with joint ventures and associates

The consolidated balance sheets include the following items related to transactions with the Group:

(in thousands)		As of November 30, 2015		2014
Joint ventures:				
Amounts due from the Group	**$**	**8,193**	$	12,087
Amounts due to the Group		**61,677**		65,911
Associates:				
Amounts due to the Group		**–**		326

Included within Amounts due to the Group are $8.4 million and $3.3 million as of November 30, 2015 and 2014, respectively, for trade receivables from joint ventures and associates. These amounts are reflected in the consolidated balance sheets as Other current assets. The remaining amounts due to the Group are included in Investments in and advances to joint ventures and associates. Amounts due from the Group are included in Other current liabilities in the consolidated balance sheets.

Short-term advances are non-interest bearing. The long-term advance to NYK Stolt Tankers S.A. ("NYK Stolt") of $40.8 million bears interest at six-month LIBOR plus 1%. The Group had also advanced $12.5 million to other joint ventures and associates at November 30, 2015. Interest on these range from 1.1% to 6.6% in 2015 and 2014. Interest received in cash for 2015 and 2014 was $1.2 million and $1.0 million, respectively.

The joint ventures and associates include the following items related to transactions with the Group:

(in thousands)		For the years ended November 30, 2015		2014
Joint ventures				
Charter hire revenue*	**$**	**81,599**	$	73,892
Tank container cleaning station revenue		**3,304**		2,879
Other revenue		**60**		40
Charter hire expense		**22,591**		21,331
Management and other expenses		**7,023**		8,970
Freight and Joint Service commission expense		**3,030**		2,781
Finance expense		**1,538**		1,196
Other expense		**2,003**		630
Associates				
Tank container cleaning station revenue		**3,946**		4,387
Other revenue		**284**		–
Management and other expenses		**–**		1,734

*The charter hire revenues are amounts distributed to NYK Stolt and Gulf Stolt Tankers DMCCO, joint ventures of the Group, for shares in the Joint Service's revenue.

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15. PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

(i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Borrowing costs directly attributable to the construction of significant assets are added to the cost of such assets until they are ready for their intended use. The cost of ships includes the contract price, pre-delivery costs incurred during the construction of newbuildings, borrowing costs and any material expenses incurred upon acquisition such as initial repairs, improvements and delivery expenses to prepare the ships for their initial voyage.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases and are included within property, plant and equipment. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings.

Leased assets acquired by way of finance leasing are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. The corresponding liability to the lessor is included as a finance lease obligation.

(ii) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Land and assets under construction are not depreciated. Property, plant and equipment are depreciated to a residual value which reflects management's estimate of scrap value or otherwise recoverable value at the end of the estimated useful life of the asset. Residual values and economic lives are reviewed annually.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant leases.

(iii) Impairment of tangible and intangible assets with finite useful lives

Tangible assets and intangible assets with finite lives are tested for impairment if there are indications of impairment. The carrying amounts of the Group's tangible and finite-lived intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Ship newbuildings and other assets under construction are tested for impairment when there is an indication of impairment.

Tankers are tested for impairment on a CGU basis. The CGUs identified are the (1) deep-sea fleet plus interdependent regional fleets and (2) regional fleets. These are the lowest levels at which the cash flows are independent of other CGUs. Where they are integral to the CGU, ships on time charter are incorporated into the impairment testing. Ship newbuildings and other assets under construction are tested for impairment when there is an indication of impairment.

The recoverable amount is the higher of fair value less costs of disposal and value in use.

FVLCD is determined as the amount that would be obtained from the sale of the asset in an orderly transaction between market participants. FVLCD is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion projects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted at an appropriate rate to arrive at a net present value of the asset.

VIU is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. VIU is determined by applying assumptions specific to the Group's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value and consequently the value in use calculation is likely to give a different result to a fair value calculation.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

An impairment loss, other than for goodwill, is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

(iv) Useful Lives

The estimated useful lives are as follows:

	Years
Tankers	
Parcel tankers and barges	*25 to 33*
Buildings	*40*
Other assets	*5 to 40*
Terminals	
Terminal tanks and structures	*3 to 60*
Other support equipment and other assets	*3 to 45*
Buildings	*3 to 60*
Stolt Tank Containers	
Tank containers	*10 to 20*
Buildings	*40 to 50*
Other operating equipment	*3 to 10*
SSF	
Transportation equipment	*3 to 10*
Operating equipment and other assets	*3 to 20*
Buildings	*15 to 68*
Bitumen	
Bitumen tankers	*25*
Tanks and structures	*5 to 20*

(v) Subsequent costs – drydocking costs

Generally, ships drydock every five years. After a ship is 15 years old a shipping society classification intermediate survey is performed between the second and third year of the five-year drydocking period. The Group capitalises a substantial portion of the costs incurred during drydocking, including the survey costs, and depreciates those costs on a straight-line basis from the time of completion of a drydocking or intermediate survey based upon the estimated life of each component of the drydocking. The Group expenses costs related to routine repairs and maintenance incurred during drydocking that do not improve or extend the useful lives of the ships. If the drydock results in an extension of the life of a ship, then the estimated useful life of the ship is changed accordingly.

(vi) Disposals

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

STOLT-NIELSEN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(In thousands)	Land	Buildings	Ships and Barges	Tank Containers	Plant and Equipment	Leasehold Improvements	Construction In Progress	Total
Cost								
Balance at December 1, 2013	$ 51,825	$ 105,440	$ 2,812,735	$ 465,044	$ 864,971	$ 11,911	$ 229,482	$ 4,541,408
Additions	5,045	2,036	9,352	33,508	14,197	824	241,131	306,093
Disposals	(101)	(1,221)	(81,205)	(1,724)	(6,476)	(788)	(409)	(91,924)
Net foreign exchange differences	(3,103)	(6,318)	(5,954)	(31)	(30,906)	(39)	(11,616)	(57,967)
Transfer to Held for sale asset	–	–	(55,678)	–	–	–	–	(55,678)
Transfers	(496)	10,571	61,610	86	228,879	5,097	(305,747)	–
Other	–	–	(95)	(58)	496	(32)	32	343
Balance at November 30, 2014	**$ 53,170**	**$ 110,508**	**$ 2,740,765**	**$ 496,825**	**$ 1,071,161**	**$ 16,973**	**$ 152,873**	**$ 4,642,275**
Additions	11,428	13,531	531	36,913	8,410	559	204,990	276,362
Disposals	(6)	(843)	(65,641)	(9,706)	(4,569)	(271)	(11,770)	(92,806)
Net foreign exchange differences	(5,182)	(11,115)	(9,121)	501	(86,629)	(1,631)	(14,381)	(127,558)
Transfers	515	2,033	104,442	413	118,621	280	(226,304)	–
Other	–	(113)	225	(193)	108	(119)	84	(8)
Balance at November 30, 2015	**$ 59,925**	**$ 114,001**	**$ 2,771,201**	**$ 524,753**	**$ 1,107,102**	**$ 15,791**	**$ 105,492**	**$ 4,698,265**

(In thousands)	Land	Buildings	Ships and Barges	Tank Containers	Plant and Equipment	Leasehold Improvements	Construction In Progress	Total
Accumulated depreciation and impairment								
Balance at December 1, 2013	**$ –**	**$ 27,876**	**$ 1,272,254**	**$ 152,581**	**$ 293,957**	**$ 6,869**	**$ –**	**$ 1,753,537**
Depreciation expense*	–	3,167	125,651	17,983	48,073	1,020	–	195,894
Disposals	–	(523)	(75,027)	(1,047)	(4,766)	(786)	–	(82,149)
Net foreign exchange differences	–	(1,447)	(3,545)	(13)	(11,864)	(74)	–	(16,943)
Transfer to Held for sale asset	–	–	(45,095)	–	–	–	–	(45,095)
Transfers	–	294	333	–	(1,590)	963	–	–
Other	–	1,198	725	(54)	(3)	(48)	–	1,818
Balance at November 30, 2014	**$ –**	**$ 30,565**	**$ 1,275,296**	**$ 169,450**	**$ 323,807**	**$ 7,944**	**$ –**	**$ 1,807,062**
Depreciation expense*	–	4,431	132,112	19,378	57,316	1,121	–	214,358
Disposals	–	(843)	(58,323)	(6,278)	(4,112)	(271)	–	(69,827)
Net foreign exchange differences	–	(3,702)	(5,249)	(79)	(28,790)	(588)	–	(38,408)
Transfers	–	12	–	(12)	–	–	–	–
Reclasses and other	–	267	(26)	(199)	(175)	(18)	–	(151)
Balance at November 30, 2015	**$ –**	**$ 30,730**	**$ 1,343,810**	**$ 182,260**	**$ 348,046**	**$ 8,188**	**$ –**	**$ 1,913,034**
Property, plant and equipment, net book value:								
At November 30, 2014	$ 53,170	$ 79,943	$ 1,465,469	$ 327,375	$ 747,354	$ 9,029	$ 152,873	$ 2,835,213
At November 30, 2015	**$ 59,925**	**$ 83,271**	**$ 1,427,391**	**$ 342,493**	**$ 759,056**	**$ 7,603**	**$ 105,492**	**$ 2,785,231**

*$0.6 million and $2.2 million of the depreciation charge has been capitalised within inventory for the years ended November 30, 2015 and 2014, respectively.

The net book value of assets under finance leases was $0.4 million and $0.5 million at November 30, 2015 and 2014, respectively. Assets under finance leases consist of tank containers.

Certain property, plant and equipment have been pledged as security on loans. See Note 22 for additional details.

In November 2014, the Group entered into a sales agreement to recycle the *Stolt Markland* for $6.6 million, resulting in a loss of approximately $4.6 million. The ship was reclassed to Asset held for sale upon the agreement being signed and removed from the deep-sea CGU. The sale was finalised in the year ended November 30, 2015.

On January 12, 2015, the Group served a notice of cancellation to Jiangsu Islands Shipbuilding Industry Co., Ltd (previously known as Nanjing East Star Shipbuilding Co. Ltd.) for the 3,500 dwt bitumen carrier being constructed, as a result of excessive delays. The Group received $11.0 million on April 30, 2015 for deposits of $9.1 million and interest of $1.9 million and wrote off capitalised interest and site team costs of $2.9 million.

Plant and equipment principally includes assets of the Terminal and Sea Farm businesses.

16. INVESTMENTS IN AND ADVANCES TO JOINT VENTURES AND ASSOCIATES

Accounting policy

(i) Associates

Associates are those entities over which the Group is in a position to exercise significant influence, but does not control or jointly control the entities' financial and operating policies. Significant influence is exercised generally through direct or indirect ownership of 20% to 50% of the voting rights. Such investments in associates are recorded in the consolidated financial statements using the equity method and are initially recognised at cost. The consolidated financial statements include the Group's share of the total comprehensive income of associates based on the equity method of accounting, from the date that significant influence commences until the date that significant influence ceases.

Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of net assets of the associate, less any impairment in the value of individual investments. Where necessary, adjustments are made to the financial statements of associates to bring the accounting policies used into line with those used by the Group.

When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate.

Materiality of an associate to the Group is determined based on the Group's investment in the associate, the associate's contribution to the net profit of the Group as well as the strategic importance of the associate's operations to the Group.

(ii) Joint ventures

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement. Joint control requires unanimous consent of the parties sharing control in the decision making on relevant activities. The consolidated financial statements include the Group's share of the total comprehensive income of joint ventures based on the equity method of accounting, from the date that joint control commences until the date that joint control ceases. Where necessary, adjustments are made to the financial statements of joint ventures to bring the accounting policies used into line with those used by the Group.

Materiality of a joint venture to the Group is determined based on the Group's investment in the joint venture, the joint venture's contribution to the net profit of the Group as well as the strategic importance of the joint venture's operations to the Group.

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Investments in and advances to joint ventures and associates, which are all accounted for using the equity method of accounting, consisted of the following:

(in thousands)	Geographic Location	2015 % Shares	2015 % Voting Rights	As of November 30, 2015	2014
Joint Ventures:					
Tankers material joint ventures:					
NYK Stolt Tankers S.A.	Panama	50	50	**$ 57,306**	$ 59,196
Stolt NYK Asia Pacific Services Inc	Liberia	50	50	**29,783**	27,639
NYK Stolt Shipholding Inc	Liberia	50	50	**33,614**	32,147
Shanghai Sinochem–Stolt Shipping Ltd	China	49	50	**46,339**	46,514
Gulf Stolt Tankers DMCCO	UAE	50	50	**35,895**	34,162
Tankers non-material joint ventures:					
SIA LAPA, Ltd	Latvia	49	50	**990**	988
Shanghai New Ying Yang Marine Services Co. Ltd	China	40	40	**127**	155
				204,054	200,801
Terminals material joint ventures:					
Oiltanking Stolthaven Antwerp, NV	Belgium	50	50	**92,194**	107,532
Jeong-IL Stolthaven Ulsan Co. Ltd	South Korea	50	50	**67,122**	62,430
Tianjin Lingang Stolthaven Terminal Co.	China	65	50	**27,413**	28,384
Tianjin Lingang Stolthaven Jetty Company	China	40	50	**16,733**	18,268
Terminals non-material joint venture:					
Stolthaven (Westport) Sdn. Bhd.	Malaysia	49	50	**7,307**	8,409
				210,769	225,023
Tank Containers non-material joint ventures:					
Hyop Woon Stolt Transportation Services Co. Ltd	South Korea	50	50	**2,420**	2,143
Kanoo Tank Services Inc.	Saudi Arabia	60	60	**5,639**	–
Infrastructure Logistics Services Inc.	India	50	50	**3,309**	–
Vado Tank Cleaning SRL	Italy	50	50	**451**	–
Laem Chabang Tank Service Co. Ltd.	Thailand	49	49	**840**	672
Joint Tank Services FZCO	UAE	40	40	**3,477**	4,037
				16,136	6,852
Corporate and Others non-material joint venture:					
Stolt LNGaz Ltd	Bermuda	33	50	**3,628**	3,248
Subtotal				**434,587**	435,924
Associates:					
Material associate:					
Avance Gas Holding Ltd.	Bermuda	7	7	**35,007**	70,858
Non-material associates:					
N.C. Stolt Transportation Services Co. Ltd	Japan	50	50	**866**	882
PT Stolt Berkah Mulia Mandiri	Indonesia	49	49	**1,639**	1,574
Norterminal A.S.	Norway	25	25	**4,455**	5,203
N.C. Stolt Chuyko Transportation Services Co. Ltd	Japan	35	35	**321**	390
Subtotal				**42,288**	78,907
				$ 476,875	$ 514,831

(in thousands)		Joint Ventures		Associates		Total
Balance, December 1, 2013	**$**	**429,763**	**$**	**107,465**	**$**	**537,228**
Share of profit of joint ventures and associates		30,600		9,859		40,459
Dilution gain on AGHL		–		4,748		4,748
Dividends		(9,309)		(8,563)		(17,872)
Contributions		953		3,769		4,722
Net foreign exchange differences		(13,606)		(723)		(14,329)
Sale of Avance Gas shares		–		(37,479)		(37,479)
Acquisition of 40% of SPS Intermodal		(2,017)		–		(2,017)
Advances to joint ventures and associates, net		6,219		–		6,219
Write-down in connection with the formation of Stolt LNGaz		(3,862)		–		(3,862)
Net loss on cash flow hedge held by joint venture		(2,311)		–		(2,311)
Other		(506)		(169)		(675)
Balance, November 30, 2014	**$**	**435,924**	**$**	**78,907**	**$**	**514,831**
Share of profit of joint ventures and associates		31,926		17,961		49,887
Dividends*		(12,053)		(14,879)		(26,932)
Contributions		19,974		105		20,079
Net foreign exchange differences		(25,179)		(2,093)		(27,272)
Sale of Avance Gas shares		–		(37,034)		(37,034)
Repayment of advances to joint ventures and associates, net		(13,653)		–		(13,653)
Net loss on pension schemes		(1,370)		–		(1,370)
Net loss on cash flow hedges held by joint venture and associate		(1,199)		(703)		(1,902)
Other		217		24		241
Balance, November 30, 2015	**$**	**434,587**	**$**	**42,288**	**$**	**476,875**

*Includes $5.2 million of dividends receivable from AGHL which was declared on November 9, 2015 for shares held on November 10, 2015. Dividend was paid subsequent to year end.

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Summarised financial information of material joint ventures

Summarised financial information of the Group's material joint ventures representing 100% of the respective amounts included in the individual joint ventures' financial statements is as follows as of and for the years ended November 30, 2015 and 2014:

	NYK Stolt Tankers S.A.		Stolt NYK Asia Pacific Services Inc		NYK Stolt Shipholding Inc.		Shanghai-Sinochem Stolt Shipping Ltd		GulfStolt DMCCO	
(in thousands)	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Cash and cash equivalents	**$ 14,009**	$ 9,058	**$ 13,362**	$ 5,961	**$ 13,813**	$ 21,218	**$ 12,297**	$ 6,115	**$ 4,321**	$ 2,893
Current assets, other than cash	**14,883**	16,403	**9,319**	13,474	**511**	497	**4,222**	5,960	**3,978**	4,847
Current assets	**28,892**	25,461	**22,681**	19,435	**14,324**	21,715	**16,519**	12,075	**8,299**	7,740
Non-current assets	**139,813**	151,185	**42,198**	42,175	**167,880**	160,507	**98,107**	106,909	**155,182**	157,015
Total Assets	**168,705**	176,646	**64,879**	61,610	**182,204**	182,222	**114,626**	118,984	**163,481**	164,755
Financial liabilities, other than accounts payable	**45,791**	4,600	**–**	–	**17,815**	16,109	**135**	–	**84,739**	92,230
Other current liabilities	**1,929**	3,295	**5,313**	6,332	**7,346**	2,797	**8,201**	9,418	**4,336**	1,451
Current liabilities	**47,720**	7,895	**5,313**	6,332	**25,161**	18,906	**8,336**	9,418	**89,075**	93,681
Financial liabilities	**80,613**	146,921	**–**	–	**89,815**	95,545	**11,721**	15,644	**18,262**	17,112
Non-current liabilities	**7,295**	–	**–**	–	**–**	3,477	**–**	–	**–**	–
Total non-current liabilities	**87,908**	146,921	**–**	–	**89,815**	99,022	**11,721**	15,644	**18,262**	17,112
Net Assets	**$ 33,077**	$ 21,830	**$ 59,566**	$ 55,278	**$ 67,228**	$ 64,294	**$ 94,569**	$ 93,922	**$ 56,144**	$ 53,962

Selected Income Statement Information

	NYK Stolt Tankers S.A.		Stolt NYK Asia Pacific Services Inc		NYK Stolt Shipholding Inc.		Shanghai-Sinochem Stolt Shipping Ltd		GulfStolt DMCCO	
(in thousands)	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Operating revenue	**$ 52,476**	$ 45,668	**$ 78,362**	$ 93,965	**$ 37,880**	$ 41,230	**$ 33,031**	**$** 36,169	**$ 29,123**	$ 28,809
Depreciation and amortisation	**13,641**	12,150	**–**	–	**10,280**	10,060	**5,561**	9,227	**7,826**	7,491
Finance income	**–**	5	**410**	388	**20**	29	**–**	–	**–**	–
Finance expense	**2,938**	3,007	**–**	–	**1,127**	1,312	**569**	1,059	**4,011**	4,116
Profit before taxes	**11,247**	4,741	**4,288**	4,361	**5,333**	6,220	**4,399**	(986)	**2,182**	522
Income tax expense	**–**	–	**–**	–	**–**	–	**916**	(32)	**–**	–
Net profit (loss)	**11,247**	4,741	**4,288**	4,361	**5,333**	6,220	**3,483**	(954)	**2,182**	522
Other comprehensive loss	**–**	–	**–**	–	**(2,399)**	(4,622)	**(3,841)**	(832)	**–**	–
Total comprehensive income (loss)	**$ 11,247**	$ 4,741	**$ 4,288**	$ 4,361	**$ 2,934**	$ 1,598	**$ (358)**	**$** (1,786)	**$ 2,182**	$ 522
Dividends received	**–**	–	**–**	–	**–**	–	**–**	2,356	**–**	–

Long-term financial liabilities for NYK Stolt Tankers S.A. included shareholder loans of $81.5 million and $96.1 million for the years ended November 30, 2015 and 2014, respectively. For GulfStolt DMCCO $18.3 million and $17.1 million were included in long-term financial liabilities as of November 30, 2015 and 2014, respectively. Also, $42.0 million of the financial liabilities included in NYK Stolt Shipholding Inc. related to long-term notes payable to Stolt NYK Asia Pacific Services Inc. at both November 30, 2015 and 2014.

	Oiltanking Stolthaven Antwerp, NV		Jeong-IL Stolthaven Ulsan Co. Ltd		Tianjin Lingang Stolthaven Terminal Co.		Tianjin Lingang Stolthaven Jetty Company	
(in thousands)	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Cash and cash equivalents	**$ 3,826**	$ 4,440	**$ 3,422**	$ 2,508	**$ 968**	$ 2,543	**$ 7,765**	$ 8,953
Current assets, other than cash	**15,676**	17,682	**10,358**	23,684	**155**	1,629	**879**	1,025
Current assets	**19,502**	22,122	**13,780**	26,192	**1,123**	4,172	**8,644**	9,978
Non-current assets	**379,517**	428,041	**274,997**	258,241	**56,879**	62,166	**35,135**	38,226
Total assets	**399,019**	450,163	**288,777**	284,433	**58,002**	66,338	**43,779**	48,204
Financial liabilities, other than accounts payable	**–**	–	**90,676**	51,161	**3,059**	5,048	**–**	–
Other current liabilities	**84,501**	93,702	**7,168**	44,311	**1,005**	1,486	**1,946**	2,534
Current liabilities	**84,501**	93,702	**97,844**	95,472	**4,064**	6,534	**1,946**	2,534
Financial liabilities	**168,788**	190,358	**58,192**	74,171	**11,764**	15,722	**–**	–
Non-current liabilities	**–**	–	**8,122**	–	**–**	414	**–**	–
Total non-current liabilities	**168,788**	190,358	**66,314**	74,171	**11,764**	16,136	**–**	–
Net assets	**$ 145,730**	$ 166,103	**$ 124,619**	$ 114,790	**$ 42,174**	$ 43,668	**$ 41,833**	$ 45,670

Selected Income Statement Information

Operating revenue	**$ 108,415**	$ 117,446	**$ 64,346**	$ 65,308	**$ 8,942**	$ 12,528	**$ 11,842**	$ 13,520
Depreciation and amortisation	**26,468**	28,221	**7,330**	7,580	**3,393**	3,406	**1,719**	1,753
Finance income	**822**	–	**–**	–	**–**	–	**106**	–
Finance expense	**10,111**	9,996	**5,174**	7,069	**1,031**	1,334	**–**	217
Profit before taxes	**31,215**	36,427	**24,360**	22,990	**379**	2,848	**6,794**	8,605
Income tax expense	**9,736**	11,447	**5,471**	5,059	**111**	851	**863**	1,088
Net profit	**21,479**	24,980	**18,889**	17,931	**268**	1,997	**5,931**	7,517
Other comprehensive loss	**(28,104)**	(13,143)	**(5,596)**	(5,308)	**(1,762)**	(255)	**(1,730)**	(470)
Total comprehensive (loss) income	**$ (6,625)**	$ 11,837	**$ 13,293**	$ 12,623	**$ (1,494)**	$ 1,742	**$ 4,201**	$ 7,047
Dividends received	**6,874**	3,722	**1,732**	1,911	**–**	–	**3,215**	1,280

The above joint ventures are private companies and there are no quoted market prices available for their shares.

Description of the nature of activities of the material joint ventures

NYK Stolt Tankers is a joint venture with NYK Line which owns six parcel tankers which participate in the Stolt Tankers Joint Service ("STJS"). The Group performs marketing, operational, administration and ship owning services for NYK Stolt Tankers' fleet in the deep-sea intercontinental market. The Group considers the investment in NYK Stolt Tankers to be strategic as it provides sophisticated tonnage to the STJS.

Stolt NYK Asia Pacific Services Inc ("SNAPS") is a joint venture with NYK Line which operates 10 ships in the East Asia and Southeast Asia areas, with the tankers marketed by the Group's offices in these regions. NYK Stolt Shipholding Inc ("NSSH") is the ship-owning joint venture and owns eight of the ships operated by SNAPS. The investments in SNAPS and NSSH are considered to be strategic to the Group by serving the East Asia and Southeast Asia markets and supporting customers of the STJS.

Shanghai Sinochem-Stolt Shipping Ltd is a joint venture with Sinochem Shipping Co., Ltd to operate chemical tankers in the Chinese coast cabotage market. As of November 30, 2015, the joint venture operates nine ships.

Gulf Stolt Tankers DMCCO is a joint venture with Gulf Navigation Holding PJSC and owns four parcels tankers which participate in the STJS. The Group performs marketing, operational, administration and ship owning services for the fleet in the deep-sea intercontinental market.

Oiltanking Stolthaven Antwerp, NV ("OTSA") is a 50% owned joint venture with Oiltanking GMBH and has a terminal facility in Antwerp, Belgium which provides independent tank terminal services in the Port of Antwerp for bulk liquid products, animal and vegetable oils and gas and other products. The investment in OTSA is considered to be strategic to the Group as it is integral in the Group's ability to provide an efficient ship-terminal interface.

Jeong-IL Stolthaven Ulsan Co. Ltd ("JSTT") is a 50% owned joint venture that owns a terminal facility in Ulsan, South Korea which provides independent tank terminal services for primarily clean petroleum and chemical products. The Group considers its investment in JSTT to be strategic as it is integral to the Group's ability to provide an efficient ship-terminal interface.

Tianjin Lingang Stolthaven Terminal Co., a 65% owned joint venture with the Lingang Harbor Affairs Company ("LHAC"), owns a terminal facility in Tianjin, China. It is considered to be a joint venture as all significant decisions are made unanimously. The terminal is currently shut, awaiting the renewal of permits, in the wake of an explosion in the Port of Tianjin in August 2015.

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Tianjin Lingang Stolthaven Jetty Company, a 40% owned joint venture with LHAC, owns and operates a jetty and docks in Tianjin, China. It is considered to be joint venture as all significant decisions are made unanimously.

Summarised financial information of material associate

Summarised financial information of the Group's material associate, AGHL, representing 100% of the respective amounts included in AGHL's financial statements is as follows:

	As of November 30,	
(in thousands)	**2015**	2014
Current assets	**$ 143,115**	$ 194,015
Non-current assets	**970,984**	507,252
Total assets	**1,114,099**	701,267
Current liabilities	**113,803**	31,956
Total non-current liabilities	**514,762**	167,130
Net assets	**$ 485,534**	$ 502,181

	For the years ended November 30,	
	2015	2014
Selected Income Statement Information		
Operating revenue	**$ 299,458**	$ 166,564
Profit before taxes	**177,302**	75,892
Income tax expense	**75**	143
Net profit	**177,227**	75,749
Other comprehensive loss	**(9,000)**	(96)
Total comprehensive income	**$ 168,227**	$ 75,653
Dividends received	**9,690**	8,563

In 2015, the Group sold 2.5 million shares of AGHL for $40.0 million, resulting in a gain on sale of $3.0 million. The Group now owns 7.21% of AGHL shares. The fair value of the Group's investment in AGHL was $33.7 million and $79.0 million at November 30, 2015 and 2014, respectively, based on the closing price on the Oslo Bors Stock Exchange.

The investment remains an Investment in an Associate as a result of continued participation by the Group's management on the AGHL Board.

Reconciliation of summarised financial information

(in thousands)	NYK Stolt Tankers S.A. 2015	2014	Stolt NYK Asia Pacific Services Inc 2015	2014	NYK Stolt Shipholding Inc. 2015	2014	Shanghai-Sinochem Stolt Shipping Ltd 2015	2014	GulfStolt DMCCO 2015	2014
Net Assets:										
Balance, December 1	**$ 21,830**	$ 17,089	**$ 55,278**	$ 50,917	**$ 64,294**	$ 62,696	**$ 94,927**	$ 101,521	**$ 53,962**	$ 53,440
Profit (loss) for period	**11,247**	4,741	**4,288**	4,361	**5,333**	6,220	**3,483**	(954)	**2,182**	522
Dividends	**–**	–	**–**	–	**–**	–	**–**	(4,808)	**–**	–
Other comprehensive loss	**–**	–	**–**	–	**(2,399)**	(4,622)	**(3,841)**	(832)	**–**	–
Balance, November 30	**33,077**	21,830	**59,566**	55,278	**67,228**	64,294	**94,569**	94,927	**56,144**	53,962
Percentage owned	**50%**	50%	**50%**	50%	**50%**	50%	**49%**	49%	**50%**	50%
Interest in joint venture	**16,539**	10,915	**29,783**	27,639	**33,614**	32,147	**46,339**	46,514	**28,072**	26,981
Deferred profits on sale of ships to joint venture by the Group	**–**	–	**–**	–	**–**	–	**–**	–	**(1,308)**	(1,375)
Advances	**40,767**	48,281	**–**	–	**–**	–	**–**	–	**9,131**	8,556
Investment in and advances to joint ventures	**$ 57,306**	$ 59,196	**$ 29,783**	$ 27,639	**$ 33,614**	$ 32,147	**$ 46,339**	$ 46,514	**$ 35,895**	$ 34,162

(in thousands)	Oiltanking Stolthaven Antwerp, NV 2015	2014	Jeong-IL Stolthaven Ulsan Co. Ltd 2015	2014	Tianjin Lingang Stolthaven Terminal Co. 2015	2014	Tianjin Lingang Stolthaven Jetty Company 2015	2014
Net Assets:								
Balance, December 1	**$ 166,103**	$ 161,711	**$ 114,790**	$ 105,989	**$ 43,668**	$ 41,926	**$ 45,670**	$ 41,823
Profit for period	**21,479**	24,980	**18,889**	17,931	**268**	1,997	**5,931**	7,517
Dividends	**(13,748)**	(7,445)	**(3,464)**	(3,822)	**–**	–	**(8,038)**	(3,200)
Other comprehensive loss	**(28,104)**	(13,143)	**(5,596)**	(5,308)	**(1,762)**	(255)	**(1,730)**	(470)
Balance, November 30	**145,730**	166,103	**124,619**	114,790	**42,174**	43,668	**41,833**	45,670
Percentage owned	**50%**	50%	**50%**	50%	**65%**	65%	**40%**	40%
Interest in joint venture	**72,865**	83,052	**62,309**	57,395	**27,413**	28,384	**16,733**	18,268
Advances	**–**	1,011	**–**	–	**–**	–	**–**	–
Purchase adjustment to property	**5,076**	6,708	**–**	–	**–**	–	**–**	–
Goodwill	**14,253**	16,761	**4,813**	5,035	**–**	–	**–**	–
Investment in and advances to joint ventures	**$ 92,194**	$ 107,532	**$ 67,122**	$ 62,430	**$ 27,413**	$ 28,384	**$ 16,733**	$ 18,268

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	Avance Gas Holdings Ltd	
(in thousands)	**2015**	2014
Net Assets:		
Balance, December 1	**$ 502,181**	$ 392,365
Profit for period	**177,227**	75,749
Dividends	**(172,271)**	(60,678)
Issuance of shares	**–**	94,845
Repurchase of shares	**(12,603)**	–
Other comprehensive loss	**(9,000)**	(100)
Balance, November 30	**485,534**	502,181
Percentage owned at end of period	**7.21%**	14.11%
Investment in material affiliate	**$ 35,007**	$ 70,858

Summarised financial information for non-material joint ventures and associates
In aggregate, the Group's investment in and advances to non-material joint ventures were $28.2 million and $19.7 million and in the non-material associates were $7.3 million and $8.0 million for the years ended November 30, 2015 and 2014, respectively. The table below summarises the financial information of the non-material joint ventures and associates:

	For the years ended November 30,	
(in thousands)	**2015**	2014
Joint ventures		
(Loss) profit before taxes	**$ (3,613)**	$ 3,824
Income tax expense	**676**	61
Net (loss) profit	**(4,289)**	3,763
Other comprehensive loss	**(3,779)**	(833)
Total comprehensive (loss) income	**$ (8,068)**	$ 2,930
Associates		
Profit before taxes	**$ 6,122**	$ 1,723
Income tax expense	**1,461**	238
Net profit	**4,661**	1,485
Other comprehensive loss	**(7,485)**	(2,893)
Total comprehensive loss	**$ (2,824)**	$ (1,408)

On April 28, 2014, the Group announced that Stolt-Nielsen Gas Ltd, SunLNG Holding Ltd and LNGaz Ltd had agreed to form a new start-up, Stolt LNGaz, focused on the development of small-scale LNG liquefaction and logistics services in Quebec, Canada. On December 11, 2014, the Group signed the shareholders' agreement and contributed $11.8 million to the investment on January 23, 2015. On January 30, 2015, shareholder advances outstanding at that date of $9.9 million were repaid to the Group by Stolt LNGaz. The Group recognised an equity loss of $5.5 million in the year ended November 30, 2015 due to start-up and overhead expenses, including $1.8 million of additional write-down of the investment. As of November 30, 2015, the Group had advanced $1.3 million to Stolt LNGaz.

Commitments to joint ventures
The Group has no commitments to joint ventures as of November 30, 2015.

See Note 14 for amounts due from and to the Group from joint ventures and associates.

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Accounting policy

Available-for-sale financial assets are non-derivatives that have been designated as such upon acquisition. They are included as non-current assets unless management intends to dispose of them within 12 months of the end of the reporting period. Changes in value of securities classified as available-for-sale are recognised in Other comprehensive income unless there is objective evidence that the investment is impaired. Objective evidence of impairment includes events such as significant financial difficulties, breaches of contract or default on the part of the investee or a high probability of the investee becoming bankrupt.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as Gains and losses on sale of assets. Dividends on available-for-sale equity instruments are recognised in the income statement as part of Other non-operating income when the Group's right to receive payments is established. The Group's investment in Golar LNG Limited ("Golar") has been classified as an available-for-sale financial asset.

The Group acquired 2.2 million shares of Golar for $99.9 million through open-market purchases during the second quarter of 2015, representing an ownership interest of 2.3% of Golar. A negative adjustment of $40.2 million was recognised in Other comprehensive income due to a reduction in the share price. Dividends of $2.0 million were received for the year ended November 30, 2015.

18. INTANGIBLE ASSETS AND GOODWILL

Accounting Policy

Goodwill represents amounts arising on the acquisition of subsidiaries, associates and joint ventures. Goodwill arising on acquisition represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Identifiable intangible assets are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

Goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment, or more frequently when there is an indication that the cash-generating unit is impaired. With respect to associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment in the associate or joint venture.

In the case of bargain purchases, the excess of net assets acquired over the fair value of the consideration paid arising on an acquisition is recognised in Other operating income in the income statement in the period in which the acquisition is completed.

With the exception of goodwill, the Group does not have any intangible assets with indefinite useful lives.

Other intangible assets with finite lives that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Amortisation of customer contracts is charged to Operating Revenue over the life of the contracts based on the underlying cash flows. Other finite-lived intangibles are charged to the income statement under Operating Expenses over the estimated useful lives of the intangible assets on a straight-line basis. The trademark intangible is being amortised over a 10-year life while the customer relations and contract intangibles are amortised from two to fourteen years and computer software is amortised over an average life of three to ten years.

See note 15 for the accounting policy for the impairment of intangible assets with finite lives.

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Intangible assets are shown below:

(in thousands)	Goodwill	Trademark	Customer Relations/ Contracts	Computer Software	Other	Total
Cost:						
Balance, December 1, 2013	**$ 39,725**	**1,772**	**16,812**	**45,286**	**714**	**104,309**
Acquisitions	–	–	–	2,420	–	2,420
Disposals	–	–	–	(642)	–	(642)
Other	–	–	13	(14)	–	(1)
Net foreign exchange differences	(2,720)	(151)	(951)	(2,667)	(62)	(6,551)
Balance, November 30, 2014	**37,005**	**1,621**	**15,874**	**44,383**	**652**	**99,535**
Acquisitions	–	–	–	1,884	294	2,178
Net foreign exchange differences	(5,567)	(242)	(1,607)	(4,550)	(117)	(12,083)
Balance, November 30, 2015	**$ 31,438**	**1,379**	**14,267**	**41,717**	**829**	**89,630**
Accumulated amortisation:						
Balance, December 1, 2013	**$ –**	**930**	**$ 8,151**	**$ 27,775**	**$ 298**	**$ 37,154**
Charge for the year	–	162	2,083	6,049	8	8,302
Disposals	–	–	–	(642)	–	(642)
Other	–	1	45	(4)	(46)	(4)
Net foreign exchange differences	–	2	(749)	(1,582)	(3)	(2,332)
Balance, November 30, 2014	–	$ 1,095	$ 9,530	$ 31,596	$ 257	$ 42,478
Charge for the year	4,963	138	1,047	2,138	26	8,312
Other	–	–	–	(136)	–	(136)
Net foreign exchange differences	(357)	(150)	(1,235)	(3,078)	(47)	(4,867)
Balance, November 30, 2015	**$ 4,606**	**$ 1,083**	**$ 9,342**	**$ 30,520**	**$ 236**	**$ 45,787**
Net book value:						
At November 30, 2014	**$ 37,005**	**$ 526**	**$ 6,344**	**$ 12,787**	**$ 395**	**$ 57,057**
At November 30, 2015	**$ 26,832**	**$ 296**	**$ 4,925**	**$ 11,197**	**$ 593**	**$ 43,843**

All intangible assets other than goodwill were subject to amortisation as of November 30, 2015 and 2014. The amortisation of intangibles other than Terminal customer contracts are charged to Operating expenses.

At November 30, 2015, goodwill consisted of $12.3 million related to a prior year business combination in the Tank Container segment and $14.5 million related to the Marstel business combination in the Terminals segment.

The Tank Container and Terminals segment goodwill has been tested for impairment as of November 30, 2015 and 2014. See Note 2 for further discussion of the method of testing for impairment of goodwill.

During 2015, the New Zealand CGU's goodwill of $5.0 million was fully impaired through Depreciation and Amortisation. The New Zealand CGU which is reported in the Terminal's operating segment was reviewed for impairment as a result of the weakening market conditions and low likelihood of renewing expiring land-lease contracts in New Zealand. Management performed a VIU calculation using the discounted cash flow. The VIU measure was based on Level 3 in the fair value hierarchy as set out in IFRS 13. As the recoverable amount was less than carrying value, the goodwill was written off.

The trademark intangible is being amortised over a 10-year life for which there are three years remaining while the customer relations and contracts intangibles are amortised from two to fourteen years and have one to nine years remaining. Computer software is amortised over an average life of three to ten years for which there is an average of less than one to ten years remaining.

19. ACCOUNTS PAYABLE

Accounting policy

Accounts payable are initially valued at their fair value and subsequently at amortised cost.

(in thousands)	As of November 30, 2015		2014
Trade payables	$ 62,646	$	96,728
Withholding and value added tax	5,087		6,085
Deposit on sale of *Stolt Markland*	–		663
In-transit payments	90		186
Other	2,431		1,772
	$ 70,254	$	105,434

20. PROVISIONS

Accounting policy

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date. If the effect is material, provisions are recognised at present value by discounting the expected future cash flows at a pre-tax rate that reflects the time value of money.

When a contract becomes onerous, the present obligation under the contract is recognised as a provision and measured at the lower of the expected cost of fulfilling the contract and the expected cost of terminating the contract as far as they exceed the expected economic benefits of the contract. Additions to provisions and reversals are generally recognised in the Consolidated Income Statements.

The present value of the recognised obligations associated with the retirement of property, plant and equipment (asset retirement obligations) that result from the acquisition, construction, development or normal use of an asset is added to the carrying amount of the related asset. The additional carrying amount is depreciated over the useful life of the related asset. Additions to and reductions from the present value of asset retirement obligations that result from changes in estimates are generally recognised by adjusting the carrying amount of the related asset and provision. If the asset retirement obligation is settled for other than the carrying amount of the liability, the Company recognises a gain or loss on settlement.

A provision is established for obligations under lease agreements to dismantle and/or restore leased property to its original condition.

Short–term provisions

(in thousands)	Insurance Provisions	Perth Amboy Environmental Provision	Restructuring	Total
Balance at December 1, 2014	$ 1,698	$ 1,280	$ 4,945	$ 7,923
Additional provisions recognised	1,365	–	4,132	5,497
Reductions arising from payments	(1,859)	(321)	(5,643)	(7,823)
Other	1	–	–	1
Balance at November 30, 2015	**$ 1,205**	**$ 959**	**$ 3,434**	**$ 5,598**

Insurance provisions represent claims made against the Group by external parties and are for insurance company deductibles or for claims which are below insurance company deductibles. The provision charge is recognised in the income statement in operating expenses, primarily. The balance is expected to be paid in 2016.

In 2013, the Group sold land in Perth Amboy, New Jersey. The sales price included an obligation to remediate for certain environmental matters at the site. The provision is based on the expected future costs to remediate the land. The major part of the remediation will be completed in 2016.

On October 21, 2014, the Group announced its intention to close the Norwalk, Connecticut office and move the functions to the Houston, Texas office. The move, which affected approximately 60 employees, occurred in the summer of 2015 and resulted in staff redundancy and relocation costs of $4.1 million and $4.9 million for the years ended November 30, 2015 and 2014, respectively. Remaining liability represents deferred severance payments.

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Long–term provisions

(in thousands)		Environmental Provision		Asset Retirement Obligations		Total
Balance at December 1, 2014	$	4,289	$	1,309	$	5,598
Additional provisions recognised, including unwinding of discount		195		224		419
Reductions arising from payments		(1,930)		–		(1,930)
Net foreign exchange differences		(261)		(210)		(471)
Balance at November 30, 2015	**$**	**2,293**	**$**	**1,323**	**$**	**3,616**

The environmental provision relates to ground water and soil disposal remediation costs necessary to remedy various contamination risks identified in Stolthaven terminals. The provision is based on the present value of the expected costs to remediate the land. The majority of the provision relates to Stolthaven Dagenham. As part of the Stolthaven Dagenham Limited redevelopment programme, pollution remediation of existing groundwater contamination aimed at reducing potential offsite migration is being undertaken. A pilot programme related to the prevention of potential offsite migration of the existing groundwater contamination was completed in January 2014 in certain sections of the Terminal site using an active barrier and was successful. The technology was used in June 2015 to remediate a source area within the groundwater at one location of the site. Following the commissioning of on-going expansion projects, an assessment will be conducted to measure the remaining pollution. The implementation of a full-scale barrier will be considered at that time as well as the need for further remediation works. The expected future ground water contamination and soil disposal remediation costs are currently estimated to be $2.3 million and should be completed by 2020. Due to the age of the site and certain tanks, on-going maintenance (e.g. soil and groundwater monitoring) is expected to continue following completion of the remediation works. Further contamination, for which liabilities can, at this point, not be assessed, may materialise following the future decommissioning of older tanks and civil roadways.

The asset retirement obligations relate to an obligation to dismantle and/or restore leased property to its pre-leased condition for several of the Stolthaven terminals. The liability is expected to be paid upon the expiration of the leases from 2022. It is not expected that these leases will be renewed; therefore, the future obligations have been estimated based on the present value of the expected future costs to dismantle the terminal and/or restore the leased property in accordance with the lease contracts.

21. DERIVATIVE ASSETS AND LIABILITIES

Accounting policy

The Group enters into forward exchange contracts to hedge foreign currency transactions, interest rate swaps to hedge the risk of variability of interest payments and bunker fuel hedge contracts to lock in the price for a portion of forecasted bunker fuel requirements. No instruments are held for speculative purposes.

Derivative financial instruments are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss on remeasurement is recognised immediately in the income statement unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition of any resultant gain or loss on the income statement depends on the nature of the item being hedged. The impact in the income statement is shown in interest, foreign currency exchange gain (loss) or operating expenses as appropriate, based on the underlying of the derivative.

(i) Determination of fair value
The fair value of interest rate swaps and foreign exchange contracts is based on discounted cash flow models based upon the valuations received from brokers, taking into account current interest rates and foreign exchange rates and the current creditworthiness of the swap counterparties. Bunker fuel hedge contracts are valued based upon independent broker valuations.

(ii) Cash flow hedges
Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in Other comprehensive income. Any ineffective portion of the hedge is recognised immediately in the income statement.

When the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain or loss remains in equity and is reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss, i.e. when a non-financial asset is depreciated.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into the income statement in the same period or periods during which the asset acquired or liability assumed affects profit or loss, i.e. when finance income or expense is recognised.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in Other comprehensive income is recognised in the income statement immediately.

(iii) Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to the host contract. Contracts are assessed for embedded derivatives at inception of such contracts or when the Group becomes party to them. Embedded derivatives that have been separated from host contracts are measured at fair value at each balance sheet date. Any gains or losses arising from changes in fair value are directly taken to the income statement.

	November 30, 2015		November 30, 2014	
(in thousands)	**Assets**	**Liabilities**	Assets	Liabilities
Current portion:				
Interest rate swaps – cash flow hedges	**$ –**	**$ 3,795**	$ –	$ 4,737
Foreign currency exchange contracts – cash flow hedges	**–**	**1,609**	–	2,496
Cross-currency interest rate swaps – cash flow hedges	**–**	**137,173**	–	34,566
	–	**142,577**	–	41,799
Non-current portion:				
Interest rate swaps – cash flow hedges	**–**	**6,418**	–	7,212
Cross-currency interest rate swaps – cash flow hedges	**–**	**178,774**	–	161,923
	–	**185,192**	–	169,135
	$ –	**$ 327,769**	$ –	$ 210,934

All of the Group's derivative activities are financial instruments not traded on a stock exchange. These financial instruments are 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 Group holds foreign exchange forward contracts, commodity contracts and interest rate swaps, which subject the Group to a minimum level of counterparty risk. The Group does not believe that it has a material exposure to credit risk from third parties failing to perform according to the terms of hedge instruments.

The net loss recognised in equity was as follows at November 30, 2015 and 2014.

	As of November 30,	
(in thousands)	**2015**	2014
Interest rate derivatives	**$ (8,082)**	$ (19,815)
Cross-currency interest rate swaps	**(42,340)**	(26,050)
Foreign currency derivatives	**(1,552)**	(2,360)
Foreign exchange hedges held by a joint venture and associate	**(4,213)**	(2,311)
Deferred income tax loss on the interest rate derivatives	**(124)**	218
	$ (56,311)	$ (50,318)

Foreign currency

The following foreign exchange contracts, maturing through November 16, 2016, were outstanding as of November 30, 2015 and 2014:

	Purchase	
(in local currency, thousands)	**2015**	2014
Norwegian Kroner	**96,000**	116,024
Euro	**18,000**	21,160
Singapore Dollar	**3,809**	40,398
British Sterling	**97**	6,000

The U.S. dollar equivalent of the currencies which the Group had contracted to purchase was $34.6 million and $85.7 million as of November 30, 2015 and 2014, respectively.

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The Group utilises foreign currency derivatives to hedge committed and forecasted cash flow exposures. Substantially all of these contracts have been designated as cash flow hedges.

The Group has elected non-hedge accounting treatment for the remaining contracts, which are immaterial. Gains and losses on hedges of committed commercial transactions are recorded as a foreign exchange gain or loss.

For the years ended November 30, 2015 and 2014, a $2.4 million and $1.0 million net unrealised gain, respectively, were reclassified from the hedging reserve into earnings. In 2015, $1.6 million of net unrealised loss included in the hedging reserve is expected to be reclassified into earnings within one year.

Interest rate and cross-currency interest rate swaps

The Group entered into interest rate and cross-currency interest rate swaps with notional values of $1,025.0 million and $1,022.2 million as of November 30, 2015 and 2014, respectively. These derivatives have been designated as cash flow hedges. For the years ended November 30, 2015 and 2014, $22.1 million and $13.0 million, respectively, were recognised in finance expense. Any remaining amounts currently in Other comprehensive income are expected to be reclassified to earnings in 2016 to 2022.

Of the total, nil and $0.1 million was reclassified into earnings for the ineffective portion of the derivative instruments for the years ended November 30, 2015 and 2014, respectively.

22. SHORT-TERM BANK LOANS AND LINES OF CREDIT

Short-term bank loans, which amounted to nil and $215.8 million as of November 30, 2015 and 2014, respectively, consist principally of drawdowns under committed and uncommitted lines of credit and overdraft facilities.

Amounts borrowed pursuant to these facilities bear interest at rates ranging from 1.8% to 2.8% in 2015, and from 0.2% to 2.8% in 2014. The weighted average interest rate was 2.6% for both of the years ended November 30, 2015 and 2014, respectively.

As of November 30, 2015, the Group had various credit lines, including a $416.4 million committed senior secured revolving credit line. Based on available collateral this line has a maximum amount that could be drawn of $416.4 million of which $416.4 million was undrawn and available for future use. In addition, the Group had $110.0 million unsecured credit lines which are payable on demand and can be withdrawn by the banks at short notice. Of the total $526.4 million credit lines at November 30, 2015, $416.4 million is committed beyond one year from the balance sheet date and is secured and $110.0 million is periodically subject to renewal. Commitment fees for unused lines of credit were $3.2 million and $4.8 million for the years ended November 30, 2015 and 2014, respectively.

Several of the short-term and long-term credit facilities contain various financial covenants applicable either quarterly or annually, which, if not complied with, could result in the acceleration of repayment of amounts due and could limit the ability of the Group to draw funds from time to time. At November 30, 2015 and 2014, the Group was in compliance with the financial covenants under its debt agreements.

Agreements executed in connection with certain debt obligations, both short-term and long-term, require that the Group maintains defined financial covenants, including, but not limited to, minimum consolidated tangible net worth of $600 million, maximum consolidated debt to tangible net worth of not greater than two-to-one and minimum EBITDA to consolidated interest expense of not less than two-to-one. Most of the debt agreements provide for a cross default in the event of a default in another agreement. In the event of a default that extends beyond the applicable remedy or cure period, lenders may accelerate repayment of amounts due to them. Short and long-term debt (including undrawn short-term bank loans) of $1.3 billion is collateralised by mortgages on ships, tank containers and terminals with a net carrying value of $1.9 billion as of November 30, 2015.

23. LONG-TERM DEBT AND FINANCE LEASES

Accounting policy

Interest-bearing borrowings are recognised initially at fair value less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Long-term debt as of November 30, 2015 and 2014 consisted of the following:

(in thousands)		2015		2014
Preferred ship fixed rate mortgages:				
Fixed interest rates ranging from 3.7% to 6.3%, maturities vary through 2020	**$**	**186,711**	$	275,230
Preferred ship variable rate mortgages:				
Interest rates ranging from 1.5% to 3.3%, maturities vary through 2021		**352,540**		334,072
Senior secured credit facilities		**549,279**		128,586
Senior unsecured bond issues		**601,122**		691,373
Finance leases		**336**		426
Bank loans:				
Interest rates ranging from 1.2% to 11.0%, maturities vary through 2019		**61,343**		66,325
		1,751,331		1,496,012
Less–current maturities		**(323,422)**		(242,151)
	$	**1,427,909**	$	1,253,861

Long-term debt

The majority of long-term debt is denominated or swapped into U.S. dollars, with $197.1 million and $198.2 million denominated in other currencies as of November 30, 2015 and 2014, respectively.

(i) Preferred ship fixed rate and variable rate mortgages

On May 10, 2011, the Group drew $200.0 million down on a term loan with four banks. The loan was secured by six second-hand ships bought by the Group between November 2010 and April 2011. The interest rates are based on LIBOR plus a margin and the loan has a term of seven years.

On March 9, 2009, the Group entered into a $250.0 million facility agreement with Eksportfinans ASA and DNB Bank ASA to be secured by mortgages on four ships that the Group had contracted to be constructed by STX Norway AS, Florø ("STX Yards") in Norway. $200.0 million of this facility is guaranteed by Garanti-instituttet for Eksportkredit ASA. The Group had drawn down a total of $250.0 million under the facility as all ships have been delivered. On the delivery of each of the ships, the loan portion in respect of each of the ships (referred in the loan agreement as tranches 1-4) was drawn and will be repaid in 24 semi-annual instalments, with balloon payments along with the 24th instalment for tranches 1-4 totalling $37.5 million. The Group has converted the LIBOR rate into a fixed rate loan through interest rate swap contracts. The swaps began to be effective on December 1, 2009.

On February 8, 2008, the Group accepted an offer made by Danish Ship Finance A/S for a $150.0 million top-off facility to be secured by eight currently-owned ships. This $150.0 million top-off facility was added to an existing facility with Danish Ship Finance A/S with a tenor of 10 years. On this new top-off facility the Group drew down $100.0 million in 2008 and $14.0 million in 2009 with the final drawdown of $36.0 million made in December 2009. In 2015, 2014 and 2013, respectively, an additional $50.0 million, $9.0 million and $50.0 million were also drawn down to top up the existing facility.

On February 15, 2008, the Group entered into a NOK 825.6 million facility agreement with Eksportfinans and DNB Bank ASA and drew down the 12-year secured term loan in 2008 for $146.3 million. Upon drawdown, the loan was converted into a fixed U.S. dollar liability. The loan is secured by a mortgage on the first two ships delivered from STX Yards in Norway.

(ii) Senior secured credit facilities

On November 20, 2015, the Group entered into a $166.4 million fixed-rate borrowing agreement using a group of tank containers as collateral. The agreement is with ING Bank N.V. and a group of private investors for six and one-half years at a fixed rate of 3.4%. There are 26 equal payments of $4.6 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 $74.9 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 collateralised debt.

On February 19, 2015, the Group announced that it had closed a $250.0 million private placement with American International Group. The private placement has a term of 10 years and is secured by the Group's terminal in Houston. The loan was used to pay down existing debt and for general corporate purposes.

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On March 29, 2011, the Group entered into a facility with DNB, Nordea, and United Overseas Bank for a SGD 280 million term loan for the financing of the terminal on Jurong Island, Singapore. The interest rate on this loan is based on Singapore Swap Offer rate plus a margin and the loan has a term of six years. During 2015, 2014, 2013 and 2012, SGD 45.0 million ($32.0 million), SGD 60.0 million ($47.5 million), SGD 30.0 million ($23.6 million) and SGD 19.6 million ($15.7 million), respectively, were drawn down on the loan.

(iii) Senior unsecured bond issue
The Group announced on March 26, 2015 the placement of senior unsecured bonds for NOK 1,100 million (approximately $142.2 million) in a new five-year bond issue carrying a coupon rate of three-month NIBOR plus 4.1%, which was fixed at 6.22% through interest rate swaps. The settlement date for the bonds was April 8, 2015. Net proceeds from the bond issue were used for general corporate purposes.

On March 3, 2014, the Company finalised a placement of senior unsecured bonds in a total amount of NOK 1,250 million (approximately $207.0 million) in a new seven-year bond issue. The settlement date for the new bonds was March 18, 2014. The Company has swapped the new bonds into U.S. dollar obligations at a fixed interest rate of 5.89%.

On September 4, 2012, the Group received NOK 500 million ($85.9 million) on a new seven-year senior unsecured bond issue and an increase of NOK 200 million ($34.3 million) in the bond issue maturing in 2018. The placement date for the bonds was August 23, 2012. The Group swapped the new bonds into U.S. dollar obligations for a total of $120.2 million at a fixed interest rate of 6.84% for the seven-year bonds and 6.28% for the five and one-half year bonds.

On March 9, 2012, SNL placed a NOK 600 million ($105.2 million) six-year senior unsecured bond issue in the Norwegian market. SNL swapped the bond issues into U.S. dollar obligations at a fixed interest rate of 6.79% for the six-year bonds.

On June 9, 2011, the Group completed the successful placement of a NOK 1.6 billion ($300.0 million) five-year senior unsecured bond issue. The bond issue was swapped to 6.63% fixed U.S. dollar obligation for the loan's duration.

(iv) Bank loans
In 2015, the Group renegotiated its EUR 9.0 million facility in SSF by entering into a four-year loan with Banco Bilbao Vizcaya Argentaria for $7.3 million (EUR 6.0 million) and Banco Santander for $6.1 million (EUR 5.0 million).

On February 4, 2014, the Group executed a new loan facility of approximately AUD 170 million for the Australasia terminals with ANZ Bank, New Zealand. The Group drew down $5.8 million and $14.5 million in 2015 and 2014, respectively, on the facility to fund the ongoing capacity expansion at Newcastle, Australia.

(v) Debt issuance costs
Debt issuance costs of $24.3 million and $22.0 million have been netted against long-term debt at November 30, 2015 and 2014, respectively. Debt issuance costs recognised in the income statement as part of effective interest rates were $4.4 million and $4.6 million for the years ended November 30, 2015 and 2014, respectively.

24. OPERATING LEASES
Accounting policy
Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received and receivable are recognised in the income statement on a straight-line basis over the lease term as an integral part of the total lease expense.

As of November 30, 2015, the Group was obligated to make payments under long-term operating lease agreements for tankers, terminal facilities, tank containers, barges, rail cars, land, equipment and offices. Certain of the leases contain clauses requiring payments in excess of the base amounts to cover operating expenses related to the leased assets.

Between 2002 to 2006, the Group entered into agreements with various Japanese shipowners for the time charter (operating lease) of nine parcel tankers with initial periods of 36 to 96 months, which include an option for the Group to extend the agreements for up to nine additional years. In addition, the Group also has the option to purchase each ship at predetermined prices at any time after three years from the delivery of the ship. The Group has acquired seven of the nine parcel tankers from 2010 to 2014. The two remaining operating leases had commitments for the initial periods of approximately $6.0 million, as of November 30, 2015, for 2016 and are included in the schedule below.

Minimum annual lease commitments, under agreements which expire at various dates through 2044, are as follows:

(in thousands)		2015		2014
Less than:				
1 year	**$**	**105,122**	$	131,185
2 years		**84,684**		96,737
3 years		**76,306**		78,949
4 years		**18,029**		69,388
5 years		**8,915**		16,929
Thereafter		**104,111**		50,438
	$	**397,167**	$	443,626

Rental and charter hire expenses under operating lease agreements for the years ended November 30, 2015 and 2014 were $144.6 million and $153.0 million, respectively, net of sub-lease income of $7.3 million and $11.7 million, respectively. Of the total lease expense, no material amounts were from sub-leases.

In addition to the above operating leases, through the Joint Service, certain ships are time chartered under operating leases from participants in the Joint Service. For the two years ended November 30, 2015 and 2014, charter hire expenses related to these leases were $81.6 million and $81.4 million, respectively.

There are no non-cancellable sub-leases at November 30, 2015 and 2014.

25. PENSION AND OTHER POST-RETIREMENT BENEFIT PLANS

Accounting policy

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred. The Group has no further payment obligations once the contributions have been paid.

(ii) Defined benefit plans and other post-employment benefits

The Group's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) is deducted.

The liability discount rate for each plan is based on the yield curve of a portfolio of high-quality corporate bonds that have maturity dates approximating to the terms of the respective plan's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employees' service in the current year, benefit changes, curtailments and settlements.

When the benefits of a plan are increased, the increased benefit relating to past service by employees is recognised as an expense in the income statement immediately.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in Other comprehensive income in the period in which they arise.

Where the calculation results in a benefit to the Group, the asset recognised is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

Gains and losses on the curtailment or settlement of a defined benefit plan are recognised at the time the curtailment or settlement occurs. A curtailment occurs when the Group adopts a change in a defined benefit plan which results in a significant reduction in the number of employees covered by a plan or changes the terms of a defined benefit plan such that a significant part of future earnings to current employees will no longer qualify for benefits, or will qualify only for reduced benefits.

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(iii) Short-term and long-term cash-based benefits

Short-term employee benefit obligations are measured on an undiscounted basis while long-term cash-based employee benefit obligations are discounted based on expected payment date. They are expensed in the period in which the related service is provided. An accrual is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably.

At November 30, 2015, the Group operated a number of pension plans for the benefit of its employees throughout the world, with varying rights and obligations depending on the conditions and practices in the specific countries. The Group's pension plans are provided through both defined benefit and defined contribution arrangements. These plans are regulated by the respective regulators in each of the countries where they are set up.

The Group operates defined benefit plans in the United States, the United Kingdom, Bermuda, the Netherlands, Norway, the Philippines and Japan. One of the defined benefit plans covers certain ship officers and other sea farers while the others are for shore-based employees. Defined contribution pension plans are currently provided in all of the above countries and Spain. The Group also operates an unfunded post-retirement medical plan in the United States.

Defined benefit plans provide benefits based on the employees' length of pensionable service and their final pensionable salary or other criteria. Defined contribution plans offer employees individual funds that are converted into benefits at the time of retirement.

Defined benefit plans

The Group's significant defined benefit pension plans are in the United States, Bermuda, the Netherlands and the United Kingdom.

The Pension Committees participate in the governance of each of the significant defined benefit pension plans. These Pension Committees comprise representatives who are employees and former employees. In addition, actuarial advisors and investment management advisors also participate in the Pension Committee meetings. The Pension Committees for plans act in the best interest of the plan participants and are responsible for setting certain policies, such as strategic asset allocation, investment and contribution policies in consultation with the Group.

The defined benefit plans expose the Group to actuarial risks such as longer than expected longevity of members, lower than expected return on investments and higher than expected inflation, which may increase the liabilities or reduce the value of assets of the plans.

Recognising these risks, the Group has adopted an approach of moving away from providing defined benefit plans. 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 year ended November 30, 2015, which resulted in a decrease of the Employee benefit liabilities by $19.8 million. All other defined benefit plans have also been closed to future accrual and new entrants by November 30, 2015.

The Group follows a coordinated strategy for the funding and investment of its defined benefit pension plans subject to meeting all local laws and regulations applicable to those plans. The assets of the plan are generally held separately from those of the Group and are administered by local management in the respective countries. The Group has no legal obligation to settle these liabilities with any immediate contributions or additional one-off contributions. The Group intends to continue to contribute to each defined benefit pension and post-retirement medical plan in accordance with the latest recommendations of each plan actuary and its pension funding policy.

In terms of investments, the Group's aim is for the value of defined benefit plan assets to be maintained at close to the value of the corresponding benefit obligations, allowing for some short-term volatility.

Plan assets are invested in a diversified range of asset classes, predominantly comprising bonds and equities. In some locations such as the United Kingdom, plan trustees and other bodies have legal and fiduciary responsibility for the investment of plan assets, and decisions on investment strategy are taken in consultation with the Group.

The Group monitors its exposure to changes in equity markets, interest rates and inflation, and measures its balance sheet pension risk using a risk-based approach. Strategic Asset Allocation Studies and asset-liability studies are carried out periodically for the significant pension plans. On a quarterly basis, the performance of all investments across the significant defined benefit plans is reviewed with the Group's investment management advisors.

Pension plans overview

	As of November 30,	
(in thousands)	**2015**	2014
Present value of funded obligations	**$ (246,918)**	$ (315,834)
Fair value of plans assets	**203,276**	247,315
Net liabilities	**$ (43,642)**	$ (68,519)

The amounts recognised at November 30, 2015 and 2014 consisted of the following:

	As of November 30,	
(in thousands)	**2015**	2014
Non-current assets	**$ 3,745**	$ 4,010
Non-current liabilities	**(47,387)**	(72,529)
Net accrued cost	**$ (43,642)**	$ (68,519)

Components of defined benefit cost

The Net periodic benefit cost for the Group's defined benefit pension plans (including a retirement arrangement for one of the Group's ex-directors) and U.S. other post-retirement benefit plan shown above for the years ended November 30, 2015 and 2014 consisted of the following:

	For the years ended November 30,	
(in thousands)	**2015**	2014
Service cost	**$ 1,125**	$ 5,838
Interest cost	**1,984**	1,422
Cost of plan administration	**304**	486
Net periodic defined benefit cost	**$ 3,413**	$ 7,746
U.S. pension curtailment gain	**$ 19,813**	$ –

Net periodic defined benefit cost is included in Administrative and General expenses. The U.S. pension curtailment gain of $19.8 million has been shown separately on the Consolidated Income Statement for November 30, 2015. The Netherlands pension defined benefit plan was also curtailed in 2015.

Impact on shareholders' equity

Remeasurements that are recognised in Other comprehensive income are as follows:

	For the years ended November 30,	
(in thousands)	**2015**	2014
Effect of changes in demographic assumptions	**$ (150)**	$ 15,216
Effect of changes in financial assumptions	**(10,777)**	37,864
Effect of experience assumptions	**642**	(1,212)
Return on plan assets (excluding interest income)	**5,818**	(12,208)
Changes in asset ceiling	**–**	(4,480)
Remeasurements recognised in Other comprehensive loss	**$ (4,467)**	$ 35,180

U.S.-based employees retiring from the Group after attaining the age of 55 with at least 10 years of service with the Group are eligible to receive post-retirement healthcare coverage for themselves and their eligible dependents. These benefits are subject to deductibles, co-payment provisions, and other limitations. The Group reserves the right to change or terminate the benefits at any time.

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Change in benefit obligation

The following tables set forth the change in benefit obligations for the Group's defined benefit pension plans and U.S. other post-retirement plan and the change in plan assets for the defined benefit pension plans. There are no plan assets associated with the U.S. other post-retirement plan.

	For the years ended November 30,	
(in thousands)	**2015**	2014
Benefit obligations at beginning of year	**$ 315,834**	$ 261,156
Current service cost	**1,125**	5,838
U.S. pension curtailment gain	**(19,813)**	–
Transfer of the Netherlands pension plan to insurers	**(34,131)**	–
Interest cost	**10,616**	11,518
Benefits paid	**(8,989)**	(9,275)
Plan participant contributions	**45**	184
Foreign exchange rate changes	**(7,484)**	(5,415)
Settlement payments	**–**	(41)
Plan settlements	**–**	1
Remeasurements:		
Effect of changes in demographic assumptions	**(150)**	15,216
Effect of changes in financial assumptions	**(10,777)**	37,864
Effect of experience adjustments	**642**	(1,212)
Benefits obligation at end of year	**$ 246,918**	$ 315,834

Change in plan assets

	For the years ended November 30,	
(in thousands)	**2015**	2014
Fair value of plan assets at beginning of year	**$ 247,315**	$ 234,893
Return on plan assets (excluding interest income)	**(5,818)**	12,208
Transfer of the Netherlands pension plan to insurers	**(34,131)**	–
Interest income	**8,632**	10,260
Company contributions	**3,186**	4,151
Plan participant contributions	**45**	184
Foreign exchange rate changes	**(6,660)**	(4,579)
Settlement payments	**–**	(41)
Benefits paid	**(8,989)**	(9,275)
Expenses paid	**(304)**	(486)
Fair value of plan assets at end of year	**$ 203,276**	$ 247,315

Change in asset ceiling

(in thousands)	For the years ended November 30, 2015	2014
Asset ceiling at beginning of year	**$ –**	$ 4,384
Changes in asset ceiling (excluding interest income)	**–**	(4,480)
Interest income	**–**	164
Foreign exchange rate changes	**–**	(68)
Asset ceiling at end of year	**$ –**	$ –

Participant profile

The defined benefit obligation by participant status is as follows:

(in thousands)	As of November 30, 2015	2014
Actives	**$ 95,083**	$ 137,476
Vested deferreds	**57,521**	76,942
Retirees	**94,314**	101,416
	$ 246,918	$ 315,834

The number of participants are as follows:

	As of November 30, 2015
Actives	**1,427**
Vested deferreds	**996**
Retirees	**582**
	3,005

Key actuarial assumptions

The following are the assumptions used in the measurement of the projected benefit obligation and net periodic pension expense for pension benefits, and the accumulated projected benefit obligation and retiree medical expense for U.S. other post-retirement benefits:

(in thousands)	As of November 30, 2015	2014
Weighted-average assumptions to determine projected benefit obligations:		
Discount rate	**3.91%**	3.73%
Rate of compensation increase	**3.34%**	4.18%
Rate of price inflation	**2.26%**	2.48%
Rate of pension increases	**2.85%**	1.24%
Weighted-average assumptions to determine defined benefit cost:		
Discount rate	**3.73%**	4.04%
Rate of pension increases	**1.24%**	1.53%
Rate of increase in compensation levels	**4.18%**	4.20%
Rate of inflation	**2.26%**	2.51%
Life expectancy for an individual currently at 65:		
Male	**21.6 yrs**	21.6 yrs
Female	**23.8 yrs**	23.8 yrs

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Healthcare cost trends assume a 7.52% annual rate of increase in the per capita cost of covered healthcare benefits for 2016, reducing gradually each year, reaching an ultimate rate of 4.5% in 2029 and remaining at that level thereafter. The effect of a 1% change in these assumed cost trends on the accumulated post-retirement benefit obligation at the end of 2015 would be an approximate $1.7 million increase or an approximate $1.4 million decrease.

	Impact on Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	0.25%	Decrease by 3.7%	Increase by 3.9%
Salary growth rate	0.25%	Increase by 0.1%	Decrease by 0.1%
Pension growth rate	0.25%	Increase by 1.0%	Decrease by 0.2%
		Increase by 1 year in assumption	Decrease by 1 year in assumption
Life expectancy		Increase by 1.1%	Decrease by 1.2%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Fair value of plan assets

The Group's defined benefit pension plans' assets and weighted-average asset allocation as of November 30, 2015 and 2014, by category, were as follows:

	As of November 30,			
(in thousands)	**2015**	**%**	2014	%
Cash and cash equivalents	**$ 2,084**	**1%**	$ 2,454	1%
Equity instruments	**100,912**	**50%**	109,450	44%
Debt instruments	**80,538**	**40%**	113,648	46%
Real estate	**11,879**	**6%**	10,812	4%
Derivatives	**4,886**	**2%**	6,968	3%
Investment funds	**1,090**	**–**	2,303	1%
Assets held by insurance company	**355**	**–**	381	–
Other	**1,532**	**1%**	1,299	1%
Total	**$ 203,276**	**100%**	$ 247,315	100%

The fair value of all plan assets were based on quoted market prices, except for cash.

It is the Group's policy to invest pension plan assets for its defined benefit plans to ensure that there is an adequate level of assets to support benefit obligations to participants and retirees over the life of the plans, maintain liquidity in plan assets sufficient to cover current benefit obligations and earn the maximum investment return consistent with a prudent level of investment and actuarial risk.

Investment return is the total compounded annual return, calculated recognising interest and dividend income, realised and unrealised capital gains and losses, employer contributions, expenses, and benefit payments.

The Group expects to contribute $2.4 million to its defined benefit pension and post-retirement benefit plans in 2016.

Weighted average duration of the defined benefit obligation is 14.8 years.

Expected maturity analysis of undiscounted pension and post-employment benefits

(in thousands)		Less than a year		Between 1-2 years		Between 2-5 years		Next 5 years		Total
Pension benefits		10,221		20,506		22,031		61,444		**114,202**
Post-employment benefits		680		1,459		1,614		4,195		**7,948**
Total	$	10,901	$	21,965	$	23,645	$	65,639	$	**122,150**

The Group also provides defined contribution plans to certain of its qualifying employees. Group contributions charged to expense for these plans were $15.8 million and $12.1 million for the years ended November 30, 2015 and 2014, respectively.

26. COMMITMENTS AND CONTINGENCIES

As of November 30, 2015 and 2014, the Group had total capital expenditure purchase commitments outstanding of approximately $361.7 million and $492.2 million, respectively. At November 30, 2015, the total purchase commitments consisted of newbuilding contracts for five tankers, approximately 924 tank containers, new and existing terminal expansion projects and other smaller projects in the businesses. Of the total 2015 purchase commitments, $252.7 million is expected to be paid in the next year and $170.7 million of that amount has financing in place. The remaining $82.0 million will be paid out of existing liquidity.

On January 12, 2015, the Group served a notice of cancellation to Jiangsu Islands Shipbuilding Industry Co., Ltd (previously known as Nanjing East Star Shipbuilding Co. Ltd.) for the 3,500 dwt bitumen carrier being constructed, as a result of excessive delays. The Group received $11.0 million on April 30, 2015 for deposits of $9.1 million and interest of $1.9 million and wrote off capitalised interest and site team costs of $2.9 million. Total amount invested was $12.0 million.

Newbuilding contract

The Group announced on November 27, 2012 that it has reached an agreement with Hudong-Zhonghua Shipbuilding (Group) Co., Ltd. and China Shipbuilding Trading Co. Ltd, under China Shipbuilding Group Corporation ("Hudong-Zhonghua"), for five 38,000 dwt stainless steel parcel tankers for $364.8 million, with deliveries expected to take place from the second quarter of 2016 onwards. Each of the ships will have 43 stainless steel tanks with a total volume of 44,000 cubic metres ("cbm"). The commitment has been included in the above capital expenditure purchase commitments and a deposit of $65.7 million has been paid. Financing for the five newbuildings has been secured through a $291.8 million term loan with Export and Import Bank of China and Standard Chartered Bank. The loan will be secured by the five ships and will be drawn proportionately on the delivery of each ship. The loan is for a term of 10 years and is amortised over 14 years from the first principal payment.

Joint ventures purchase commitments

The Group's joint ventures had an additional $160.0 million of purchase commitments, not specifically guaranteed by the Group. These commitments primarily relate to $152.1 million for five parcel tankers at two joint ventures and terminal capital projects. The Group's joint ventures do not have any significant contingent liabilities.

Environmental

The Group's operations involve the carriage, use, storage and disposal of chemicals and other hazardous materials and wastes. The Group is subject to applicable international and national health, safety and environmental laws relating to the protection of the environment, including those governing discharges of pollutants to air and water, the generation, management and disposal of hazardous materials and wastes and the cleanup of contaminated sites.

The Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), commonly known as Superfund, was enacted by the U.S. Congress on December 11, 1980. This law created a tax on the chemical and petroleum industries and provided broad federal authority to respond directly to releases or threatened releases of hazardous substances that may endanger public health or the environment. This law and similar state environment statutes and common laws can impose liability for the entire cleanup of contaminated sites or for third-party claims for property damage and personal injury, regardless of whether the current owner or operator owned or operated the site at the time of the release of contaminants or the legality of the original disposal activities.

Actual or discontinued operations in the U.S. may trigger a future liability. Due to the uncertainty whether, or the length of time before, any liability may occur, it is currently not considered probable that a liability will arise and consequently no provision has been recorded.

At the end of August 2012 Hurricane Isaac caused widespread flooding in southern Louisiana, including an unprecedented storm surge at the terminal in New Orleans/Braithwaite of about 13 feet of water. The storm surge overtopped the Parish levee system and despite extensive efforts to prepare the terminal for the impact of the hurricane, extensive damage was sustained to various portions of the facility, including several tanks, causing some tank releases of stored product to occur. Multiple notices were made to the relevant authorities. The protective measures taken in and around the terminal were successful in retaining a considerable amount of the releases. Following the hurricane the rail cars stored at the terminal were inspected and no leaks were detected. Samples of the flood waters, soil and sediment of the area surrounding the terminal have been taken and tested in cooperation with the various government authorities. Results of the residential soil samples are within the guidelines established by the Louisiana Department of Environmental Quality.

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Both the state and federal environmental agencies, as well as the Louisiana State Police, have claimed against the terminal for civil penalties for (a) failure to properly provide notice in accordance with the respective regulatory requirements, and (b) discharges of chemical products being stored at the terminal. The Group is challenging the claims. It is premature to offer a view on the final outcome of the regulatory claims. However, it is not expected that any resolution will have a material effect on the Group's business or financial condition.

27. LEGAL PROCEEDINGS

There are various legal proceedings arising in the ordinary course of business and in cases where the Group believes the likelihood of losses is probable and can be estimated provisions, would be recorded. Whilst ongoing legal proceedings could have a material adverse effect on the Group's consolidated financial position or results of operations in the future, the Group believes that none of these matters will have a material adverse effect on its business or financial condition.

During 2015 and 2014, the Group has been involved in certain civil litigation cases, which are described below.

To the extent that they are not covered by insurance, the Group expects to incur legal costs until these matters are resolved. For the matters described below, the Group incurred legal costs of approximately $1.0 million in each of the years ended November 30, 2015 and 2014, which are included in "Administrative and general expenses" in the consolidated income statements.

Collision involving *Stolt Commitment*

On December 16, 2015 the *Stolt Commitment* was involved in a collision with the general cargo ship *Thorco Cloud*, whilst in the Singapore traffic separation scheme. As a consequence of these events, the *Thorco Cloud* sank with the loss of three lives, three other crewmen being unaccounted for. She was carrying a cargo of steel. The *Stolt Commitment* was damaged in the collision and arrangements made to transship the cargo on board in Malaysia, following which she will go for repair. General average has been declared. The wreck of the *Thorco Cloud*, which is in two pieces, will require removal along with the salvage of bunker fuel on board the ship when she sank.

Claims have been made against the *Stolt Commitment* and her insurers by the owners of the *Thorco Cloud* and her insurers, and those interested in the cargo on board the *Thorco Cloud*. Claims have been made by the *Stolt Commitment* against the owners of the *Thorco Cloud* and her insurers. Responsibility for the collision has not yet been determined but any losses and repair costs will be covered by insurances maintained by the Group, along with legal fees, subject to deductibles and certain unrecoverable expenses. It is not expected that there will be a material adverse effect on the Group's business or financial condition.

Civil actions as a result of Hurricane Isaac

Following the flooding at the terminal in New Orleans/Braithwaite, two class actions and multiple individual actions were filed at the District Court in the Parish of Plaquemines, State of Louisiana.

All actions allege pollution of the claimants' properties with liquids stored at the terminal and allegedly released as a consequence of the flooding. The actions are being defended and the monitoring of air quality, sampling of the flood waters and soil testing, all carried out in cooperation with the various government authorities, have shown results within the guidelines established by the Louisiana Department of Environmental Quality.

In addition, Stolthaven New Orleans LLC has received a number of claims from residents for costs and/or damages via a claims hotline and all such claims have been made part of the above-referenced litigation.

All these matters including the legal fees for the defence are covered by insurance maintained by the Group and it is not expected that they will have a material adverse effect on its business or financial condition.

Civil actions as a result of the fire on the *MSC Flaminia*

On July 14, 2012, a fire broke out aboard the *MSC Flaminia* during the ship's crossing of the Atlantic Ocean in cargo hold number 4. During the crew's attempt to extinguish the fire, an explosion occurred. Stolt Tank Containers ("STC") had 29 tank containers onboard the ship, three of which were stowed in cargo hold number 4. These tanks carried various products for various customers.

STC filed claims for the replacement value of the tank containers and the product carried. In August 2012 vessel interests declared General Average. The vessel was initially hauled to Germany and then sailed onward to Romania for inspection, investigation and discharge operations.

On May 29, 2013, the vessel interests, namely the owner, manager and operator, filed counter and cross claims against STC and Detach, the shipper of the three tank containers stowed in cargo hold number 4, alleging that these tank containers were the cause of the fire and that STC did not adequately warn of the inherently dangerous nature of the cargo. Since that time, several other cargo claimants have filed cross claims against STC and Detach. The court agreed to extend time to answer all counter and/or cross claims to August 1, 2013. All parties had until July 1, 2013 to file counter and/or cross claims. STC filed counter and cross claims against vessel interests and those cargo claimants who had cargo stowed in cargo hold numbers 4, 5 and 6.

There has been some indication in the official German investigation report that shows STC tank containers may have been the original ignition source of the fire. However, the German report also presents other possible ignition sources. The matter is in the hands of the insurers and, other than the deductible of $100,000, all other claims and expected costs are covered by insurance and it is not expected that they will have a material adverse effect on the Group's business or financial condition.

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.

28. COMMON SHARES, FOUNDER'S SHARES, PAID-IN SURPLUS AND DIVIDENDS DECLARED

Accounting policy

Equity capital stock

The Company's capital comprises equity capital stock. Equity capital stock is measured based upon net proceeds.

Dividends

Dividends recommended by the Board of Directors are recognised in the financial statements when they have been approved by the Shareholders at the Annual General Meeting. Interim dividends are recognised when approved by the Board of Directors.

Treasury shares

Upon the Group's purchase of its own shares (Treasury shares), the consideration paid is deducted from equity attributable to equity holders until the shares are cancelled, reissued or otherwise disposed of. In cases where such shares are subsequently sold or reissued, any consideration received is included in equity attributable to equity holders.

	Founder's Shares par value $0.001 per share		Common Shares par value $1 per share	
	Shares Issued	Treasury Shares	Shares Issued	Treasury Shares
Balance at December 1, 2013	16,033,449	1,511,342	64,133,796	6,045,369
Repurchase of Treasury shares	–	321,945	–	1,287,776
Exercise of share options	–	(4,594)	–	(18,375)
Balance at November 30, 2014	16,033,449	1,828,693	64,133,796	7,314,770
Repurchase of Treasury shares	–	426,792	–	1,707,171
Balance at November 30, 2015	**16,033,449**	**2,255,485**	**64,133,796**	**9,021,941**

See Note 30 for additional information on the exercise of share options.

Share rights

The Group's authorised share capital consists of 65,000,000 Common shares, par value $1.00 per share, and 16,250,000 Founder's shares, par value $0.001 per share. Except for matters where applicable law requires the approval of both classes of shares voting as separate classes, Common shares and Founder's shares vote as a single class on all matters submitted to a vote of the Shareholders, with each share entitled to one vote.

Under the Bye-laws, holders of Common shares and Founder's shares participate in annual dividends, if any are declared by the Group, in the following order of priority: (i) $0.005 per share to Founder's shares and Common shares equally; and (ii) thereafter, all further amounts are payable to Common shares only.

Furthermore, the Bye-laws also set forth the priorities to be applied to each of the Common shares and Founder's shares in the event of a liquidation. Under the Bye-laws, in the event of a liquidation, all debts and obligations of the Group must first be paid and thereafter all remaining assets of the Group are paid to the holders of Common shares and Founder's shares in the following order of priority: (i) Common shares ratably to the extent of the par value thereof ($1.00 per share); (ii) Common shares and Founder's shares participate equally up to $0.05 per share; and (iii) thereafter, Common shares are entitled to all remaining assets.

Dividends

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, SNL's Board of Directors recommended a final dividend 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.

On November 11, 2014, 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, 2014. The total gross amount of the dividend was $28.5 million, which was classified as an interim dividend and paid on December 11, 2014.

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On February 7, 2014, SNL's Board of Directors recommended a final dividend of $0.50 per Common share, payable to shareholders of record as of April 24, 2014. The dividend, which was subject to shareholder approval, was approved at the Company's Annual General Meeting of shareholders on April 15, 2014 in Bermuda. The total gross amount of the dividend was $29.1 million and paid on May 8, 2014.

Share repurchase

The Group announced on November 18, 2014 that the Board of Directors had authorised the Company to purchase up to $50 million worth of its Common shares. The total shares repurchased under this programme in the years ended November 30, 2015 and 2014 were 1.7 million for $24.6 million and 1.3 million for $20.9 million, respectively. Of the total purchased in 2014, $2.1 million was settled after November 30, 2014. The Company also acquired 0.4 million and 0.3 million Founder's shares for the years ended November 30, 2015 and 2014, respectively. The repurchases resulted in the Group holding 9,021,941 of SNL shares at November 30, 2015.

Founder's shares and Treasury shares

As of November 30, 2015 and 2014, 13,777,964 and 14,204,756, respectively, of Founder's shares had been issued to Fiducia Ltd, net of Treasury shares. Additional Founder's shares are issuable to holders of outstanding Founder's shares without consideration, in quantities sufficient to maintain a ratio of Common shares to Founder's shares of 4 to 1.

As of November 30, 2015 and 2014, 9,021,941 and 7,314,770, respectively, of Treasury shares were held by the Group. The Group also held 2,255,485 and 1,828,693 of Founder's shares for the same periods. Note that dividends are not paid on Treasury shares held by the Group.

Acquisition of non-controlling interest

In the year ended November 30, 2014, the Group agreed to acquire the remaining 30% of equity held by the founders of Marstel Terminals, since renamed Stolthaven Australasia Pty. Limited ("Stolthaven Australasia"), for AUD 55 million ($50.3 million). Stolthaven Australasia is a network of 10 bulk-liquid storage facilities in Australia and New Zealand, with a total combined storage capacity of approximately 292,280 cbm. The acquisition was completed during the fourth quarter of 2014 upon receipt of the regulatory approvals and resulted in $23.4 million being recorded as a reduction in Paid-in Surplus.

Capital management

The Group defines capital as net debt and Shareholders' equity. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares, repurchase shares or sell assets to reduce debt.

The Group monitors capital on the basis of the ratio of debt to tangible net worth. This is calculated as short-term and long-term debt divided by Shareholders' equity less intangible assets and excluding other components of equity. As of November 30, 2015 and 2014, the ratio of debt to Shareholders' equity less intangible assets and excluding other components of equity was as follows:

	As of November 30,	
(in thousands)	**2015**	2014
Short-term bank loans and long-term debt	**$ 1,751,331**	$ 1,711,812
Shareholders' equity less intangible assets and excluding other components of equity	**1,540,797**	1,473,154
Debt to tangible net worth	**1.14**	1.16

The debt to tangible net worth of 1.14 at November 30, 2015 is in line with management's expectations.

The Group has external restrictions on its capital, which are its bank covenants. See Note 22.

29. RESTRICTIONS ON PAYMENT OF DIVIDENDS

Under Bermuda law, dividends cannot be paid if there are reasonable grounds for believing that:

(a) The Company is, or would after the payment be, unable to pay its liabilities as they become due; or
(b) The realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

30. SHARE-BASED COMPENSATION

The Group has a 1997 Share Option Plan (the "1997 Plan") covering 5,180,000 Common shares. No further grants will be issued under the 1997 Plan as it expired in 2007 although options granted prior thereto continue to be exercisable in accordance with their stated terms. Beginning in 2007, the option grants were replaced with a cash-settled non-equity based performance incentive plan. The 1997 Plan is administered by a Compensation Committee appointed by the Board of Directors. The Compensation Committee awarded options based on the grantee's position in the Group, degree of responsibility, seniority, contribution to the Group and such other factors as it deemed relevant under the circumstances.

Share options were issued at the current market price of SNL shares on the date of the grant. The grant date was the date on which the Compensation Committee approved the grant.

Options granted under the plan vest 25% on the first anniversary of the grant date, with an additional 25% vesting on each subsequent anniversary of continued employment. Options may be exercisable for periods of up to 10 years at an exercise price not less than the fair market value per share at the grant date. Options are forfeited by employees upon termination of employment in most circumstances.

Share-based expense for the years ended November 30, 2015 and November 30, 2014 was nil, as all share options are fully vested.

The following table reflects activity under the Plan for the years ended November 30, 2015 and 2014:

	2015		2014	
For the years ended November 30,	**Shares**	**Weighted Average Exercise Price**	Shares	Weighted Average Exercise Price
Common share options				
Outstanding at beginning of year	**1,162,925**	**$ 29.57**	1,184,550	$ 29.39
Exercised	**–**	**–**	(18,375)	(22.09)
Expired	**(339,150)**	**(26.41)**	(3,250)	(7.33)
Forfeited	**(93,100)**	**(30.72)**	–	–
Outstanding at end of year	**730,675**	**$ 30.89**	1,162,925	$ 29.57
Exercisable at end of year	**730,675**	**$ 30.89**	1,162,925	$ 29.57
Weighted average share price at date options exercised		**$ –**		$ 29.18

The following table summarises information about share options outstanding as of November 30, 2015 and 2014:

	Options Outstanding					
	2015			2014		
	Number Outstanding	**Remaining Contractual Life (years)**	**Number Exercisable**	Number Outstanding	Remaining Contractual Life (years)	Number Exercisable
Common share options:						
$26.41	**–**	**–**	**–**	339,150	0.02	339,150
$28.90	**373,400**	**1.11**	**373,400**	424,800	2.11	424,800
$32.96	**357,275**	**0.13**	**357,275**	398,975	1.13	398,975
	730,675	**0.63**	**730,675**	1,162,925	1.16	1,162,925

31. EARNINGS PER SHARE

Earnings per Common share

Basic Earnings per Common share ("EPS") is computed by dividing net profit by the weighted average number of shares outstanding during the year. Diluted EPS is computed by adjusting the weighted average number of shares outstanding during the year for all potentially dilutive shares and equivalents outstanding during the year using the Treasury stock method.

As further discussed in Note 28, "Common shares, Founder shares and Dividends declared", Founder's shares, which provide the holder thereof with certain control features, only participate in earnings to the extent of $0.005 per share for the years in which dividends are declared, and are limited to $0.05 per share upon liquidation. For the purposes of computing EPS, dividends paid on Founder's shares are deducted from earnings to arrive at net profit attributable to Common Shareholders. Founder's shares are not included in the basic or diluted weighted average shares outstanding in the computation of earnings per Common share.

The outstanding share options under the 1997 Share Option Plan are included in the diluted EPS calculation to the extent they are dilutive.

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The following is a reconciliation of the numerator and denominator of the basic and diluted earnings per share computations:

	For the years ended November 30,	
(in thousands, except per share data)	**2015**	2014
Net profit attributable to equity holders of SNL	**$ 132,672**	$ 77,141
Less: Dividends on Founder's shares	**(69)**	(71)
Net profit attributable to Common Shareholders	**$ 132,603**	$ 77,070
Basic weighted average shares outstanding	**56,108**	58,070
Dilutive effect of share options	**–**	1
Diluted weighted average shares outstanding	**56,108**	58,071
Basic earnings per share	**$ 2.36**	$ 1.33
Diluted earnings per share	**2.36**	1.33

Outstanding share options to purchase 730,675 shares and 1,162,925 shares were not included in the computation of diluted earnings per share for the years ended November 30, 2015 and 2014, respectively, because the net effect of these share options would have been antidilutive. Average Treasury shares held by the Company are also not included in the weighted average shares outstanding.

32. FINANCIAL INSTRUMENTS AND RISK FACTORS

Financial risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's activities expose it to a variety of financial risks such as market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a Central Treasury department under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity.

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. 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:

	As of November 30,			
(in thousands)	**2015 Carrying Amount**	**2015 Fair Value**	2014 Carrying Amount	2014 Fair Value
Financial assets (Loans and receivables)				
Cash and cash equivalents	**$ 77,545**	**$ 77,545**	$ 45,206	$ 45,206
Restricted cash	**68**	**68**	65	65
Receivables	**202,758**	**202,758**	200,823	200,823
Other current assets	**45,193**	**45,193**	25,819	25,819
Available-for-sale financial assets (Fair value):				
Equity instruments	**59,632**	**59,632**	–	–
Financial liabilities (Amortised cost):				
Accounts payables, excluding withholding and value added taxes	**65,167**	**65,167**	99,349	99,349
Accrued expenses	**234,700**	**234,700**	226,677	226,677
Dividend payable	**27,623**	**27,623**	28,584	28,584
Short-term bank loans	**–**	**–**	215,800	215,800
Long-term debt and finance leases including current maturities	**1,775,599**	**1,900,355**	1,518,013	1,528,551
Derivative financial instruments (Fair value):				
Foreign exchange forward contracts liabilities	**(1,609)**	**(1,609)**	(2,496)	(2,496)
Interest rate swap liabilities	**(10,213)**	**(10,213)**	(11,949)	(11,949)
Cross-currency interest rate swap liabilities	**(315,947)**	**(315,947)**	(196,489)	(196,489)

The carrying amount of cash and cash equivalents, receivables, accounts payable (excluding withholding and value added tax payables), accrued expenses, dividend payable and short-term bank loans 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 the Group's 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 November 30, 2015 and 2014, using the discounted cash flow methodology. The fair values of the Group's foreign exchange contracts are based on their estimated market values as of November 30, 2015 and 2014. 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 November 30, 2015 and 2014.

Long-term debt in the table above excludes debt issuance costs of $24.3 million and $22.0 million and future finance charges on finance leases of nil and $0.1 million for the years ended November 30, 2015 and 2014, respectively.

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Maturity of financial liabilities

	For the Year Ended November 30, 2015								
(in thousands)		**Less than 1 yr**		**2-3 yrs**		**4-5 yrs**		**More than 5 yrs**		**Total**
Contractual obligations:										
Accounts payable	$	65,167	$	–	$	–	$	–	$	65,167
Accrued expenses and dividend payable		262,323		–		–		–		262,323
Long-term debt and finance leases including current maturities		326,557		527,719		355,332		565,991		1,775,599
Interest on long-term debt and finance leases		69,756		103,729		70,853		66,123		310,461
Derivative financial liabilities		139,954		81,060		61,347		65,751		348,112
Total contractual obligations	$	863,757	$	712,508	$	487,532	$	697,865	$	2,761,662

	For the Year Ended November 30, 2014									
(in thousands)		Less than 1 yr		2-3 yrs		4-5 yrs		More than 5 yrs		Total
Contractual obligations:										
Accounts payable	$	99,349	$	–	$	–	$	–	$	99,349
Accrued expenses and dividend payable		255,261		–		–		–		255,261
Short-term loans		215,800		–		–		–		215,800
Long-term debt and finance leases including current maturities		246,213		541,375		439,037		291,388		1,518,013
Interest on long-term debt and finance leases		64,489		89,545		49,034		22,064		225,132
Derivative financial liabilities		41,292		95,443		49,634		31,370		217,739
Total contractual obligations	$	922,404	$	726,363	$	537,705	$	344,822	$	2,531,294

Long-term debt in the tables above excludes debt issuance costs of $24.3 million and $22.0 million and future finance charges on finance leases of nil and $0.1 million for the years ended November 30, 2015 and 2014, respectively. Derivative financial liabilities are stated at future undiscounted cash flows; therefore, they do not agree to the balance sheet.

Concentration of credit risk

Trade receivables are from customers across all lines of the Group's business. The Group extends credit to its customers in the normal course of business. The maximum exposure to credit risk is the Accounts Receivable balance of $202.8 million and Cash balance of $77.5 million. The Group regularly reviews its accounts receivable by performing credit checks upon entering into an initial sales contract with a customer and by the respective business controllers regularly reviewing the days past due accounts receivable reports. The majority of trade receivables are in U.S. dollars.

An analysis of the age of receivables that are past due is as follows:

	As of November 30, 2015			
(in thousands)		**Not Impaired**		**Impaired**
Up to 30 days past due	$	45,270	$	931
31 to 60 days past due		13,834		654
61 to 90 days past due		7,023		529
Greater than 91 days past due		14,824		15,496
	$	80,951	$	17,610

	As of November 30, 2014	
(in thousands)	Not Impaired	Impaired
Up to 30 days past due	$ 53,143	$ 1,313
31 to 60 days past due	15,942	538
61 to 90 days past due	5,324	390
Greater than 91 days past due	12,983	13,871
	$ 87,392	$ 16,112

Excluded from the above are $104.2 million and $97.3 million of accounts receivable that were not past due as of November 30, 2015 and 2014, respectively.

No collateral is held on impaired accounts receivable.

The allowance for doubtful accounts changed as follows:

	November 30,	
(in thousands)	**2015**	2014
Balance at the beginning of the year	**$ 16,112**	$ 13,834
Charged against revenue	**3,013**	4,771
Accounts written off	**(1,515)**	(2,493)
Balance at the end of the year	**$ 17,610**	$ 16,112

The amount of the allowance is based on the age of unpaid balances, information about the current financial condition of customers, and other relevant information. Management does not believe significant risk exists in connection with concentrations of credit as of November 30, 2015.

The Group's cash is held by a diverse group of financial institutions with credit ratings of A and above.

Market risk

The Group is exposed to market risk, including changes in interest rates, currency exchange rates, price risk and bunker fuel costs. To manage the volatility relating to these exposures, the Group enters into derivative transactions in accordance with Group policies. The financial impact of these instruments is offset by corresponding changes in the underlying exposures being hedged. Derivative instruments are not held for trading or speculative purposes.

The Group uses a value-at-risk ("VAR") model to assess the market risk of the derivative financial instruments. The model utilises a variance/covariance modelling technique. VAR models are intended to measure the maximum potential loss for an instrument or portfolio, assuming adverse changes in market conditions for a specific time period and confidence level. As of November 30, 2015, the estimated maximum potential one-day loss in fair value of foreign exchange rate instruments, calculated using the VAR model given a 95% confidence level, would be $0.3 million from adverse changes in foreign exchange rates. The maximum potential one-day loss in fair value for adverse changes in interest rates, given a 95% confidence level, would be nil. Actual experience has shown that gains and losses tend to offset each other over time, and it is highly unlikely that losses such as these would be experienced over an extended period of time. These amounts should not be considered projections of future losses, since actual results may differ significantly depending upon activity in the global financial markets.

The fair value losses shown in the table below have no impact on the Group's results or financial condition and serve only as an illustration of derivative and short-term interest rate volatility. Note that any adverse movement in foreign exchange or bunker derivatives is offset by corresponding changes in the fair value of the underlying exposure being hedged.

	VAR	
	As of November 30,	
(in millions)	**2015**	2014
Foreign currency exchange rates	**0.3**	0.4
Interest rates	*****	*

* Less than $0.1 million.

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The change in the VAR, in connection with foreign exchange rates, interest rates and bunker fuel rates, is attributable to market volatility.

At November 30, 2015, if interest rates on the Group's short-term and long-term debt had been 10 basis points higher/lower with all other variables held constant, the calculated pre-tax profit for the year would have been $0.5 million lower/higher, mainly as a result of higher/lower interest expense on floating rate debt for which the interest rate has not been hedged.

In addition, for bunker fuel risk, the majority of the contracts of affreightment ("COA") entered into by the Group's Tanker segment include provisions intended to pass through fluctuations in fuel prices to customers. The Group's policy is to hedge a minimum of 50% of expected bunker purchases within the next 12 months through either bunker surcharges included in COA or through hedging. The Group began a bunker hedging programme in December 2015. See Note 34, Subsequent Events, for further discussion.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Most of the revenue earned by Tankers and 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, Chinese renminbi and the British pound. When there is a mismatch between revenue and expense currencies, any depreciation of the revenue currency relative to the expense currency will decrease profit margins. In addition, exposure occurs when a member of the Group holds accounts receivable or payable in a non-functional currency.

At November 30, 2015, prior to the effect of hedging, if the U.S. dollar had weakened/strengthened by 5% against the major currencies mentioned above, with all other variables remaining constant, the recalculated pre-tax profit for the year would have been approximately $6.6 million higher/lower, mainly as a result of higher operating and administrative and general expenses, net of higher/lower revenues, from non-U.S. dollar transactions and foreign exchange losses on translation of non-U.S. dollar-denominated account receivable and payable balances.

SNL's policy is to hedge approximately 50% to 80% of the Company's expected future foreign currency exposure and 100% of its future committed capital expenditures denominated in foreign currencies.

Liquidity risk

Cash flow forecasting is performed by the operating entities of the Group and is aggregated at the corporate level. The Treasury department monitors rolling forecasts of the Group's liquidity requirements to ensure the Group has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (see Note 22) at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and certain currencies' restrictions. The Group also reviews and monitors sensitivities to changes in forecasts.

Fair value estimation

The information below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

– 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 is measured using quoted prices in an active market (level 1) while its derivative liabilities of $327.8 million and $210.9 million as of November 30, 2015 and 2014, respectively, are measured using inputs other than quoted prices (level 2). The Group's mature biological assets are measured using inputs other than quoted prices (level 2).

33. RECONCILIATION OF NET PROFIT TO CASH GENERATED FROM OPERATIONS

(in thousands)	For the years ended November 30, 2015	2014
Net profit	**$ 133,104**	$ 78,086
Adjustments to reconcile net profit to net cash from operating activities:		
Depreciation and impairment of property, plant and equipment	**213,718**	193,864
Amortisation of other intangible assets	**8,312**	6,947
Finance expense and income	**101,215**	92,812
Net periodic benefit (credits) costs of defined benefit pension plans	**(17,263)**	7,746
Income tax expenses	**14,135**	15,068
Share of profit of joint ventures and associates	**(49,887)**	(45,207)
Fair value adjustment on biological assets	**1,349**	4,276
Foreign currency related (gains) losses	**(1,881)**	1,736
Loss (gain) on disposal of assets, net	**1,170**	(14,913)
Changes in assets and liabilities, net of effect of acquisitions and divestitures:		
Increase in receivables	**(4,846)**	(5,834)
Decrease in inventories	**3,199**	6,299
Increase in biological assets	**(1,704)**	(6,006)
Decrease (increase) in prepaid expenses and other current assets	**1,870**	(124)
(Decrease) increase in accounts payable and other current liabilities	**(19,023)**	30,737
Contributions to defined benefit pension plans	**(3,853)**	(3,940)
Dividends from joint ventures and associates	**21,701**	17,872
Other, net	**(369)**	838
Cash generated from operations	**$ 400,947**	$ 380,257

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continued

Analysis of net debt

Net debt at November 30, 2015 comprised cash and cash equivalents of $77.5 million (2014: $45.2 million), short-term bank loans of nil (2014: $215.8 million) and long-term debt and finance leases, including current maturities, of $1,751.3 million (2014: $1,496.0 million) as disclosed in Notes 22 and 23.

(in thousands)	At December 1, 2014	Cash Flow	Exchange Differences	Other Movements	At November 30, 2015
Cash deposits	$ 37,717	$ 18,610	$ (4,521)	$ –	$ **51,806**
Short-term time deposits	7,489	18,250	–	–	**25,739**
Cash and cash equivalents	45,206	36,860	(4,521)	–	**77,545**
Borrowings:					
Short-term bank loans	(215,800)	215,800	–	–	**–**
Long-term debt, including current maturities	(1,495,586)	(389,564)	131,239	2,917	**(1,750,994)**
Finance lease obligations	(426)	89	–	–	**(337)**
Net debt	**$ (1,666,606)**	**$ (136,815)**	**$ 126,718**	**$ 2,917**	**$ (1,673,786)**

Short-term time deposits included within cash and cash equivalents relate to term deposits repayable within three months.

Other non-cash movements in net debt primarily represent capitalisation of debt issuance and interest to debt of $7.1 million offset by $4.4 million amortisation of debt issuance costs.

34. SUBSEQUENT EVENTS

On March 2 2016, the Group announced that the Board of Directors had authorised the Company to purchase up to $30 million worth of its common shares through open market transactions. Subsequent to November 30 2015, the Group purchased 115,000 of its common shares.

On January 13, 2016, the *Stolt Helluland* was sold for approximately $3.9 million for recycling. The loss, including costs of the final voyage and commission, is expected to be $1.1 million.

On December 31, 2015, the Company announced the passing of Christer Olsson, Chairman of the Board of Stolt-Nielsen Limited, at the age of 70. Mr. Olsson had served as a Director of the Company since 1993, and as Chairman of the Board since December 15, 2009, when he succeeded Jacob Stolt-Nielsen, the Company's founder. A new chairman will be elected at the Company's Annual General Meeting in April 2016.

On December 17, 2015, the Board of Directors announced the appointment of a new director, Rolf Habben Jansen, Chief Executive Officer of Hapag-Lloyd AG. The Board of Directors of SNL received approval at the Company's Annual General Meeting in April 2015 to fill two vacancies.

On December 16, 2015, there was a collision between the *Stolt Commitment* and a smaller, third-party ship in Indonesia on the Singapore Straight. See Note 27, Legal, for further discussion.

On December 11, 2015, the Company paid interim dividends for a gross amount $27.6 million. The Company's Board of Directors had declared the dividend of $0.50 per Common share and $0.005 per Founder's share on November 11, 2015 for Shareholders of record as of November 26, 2015.

Subsequent to year end, the Group began a bunker hedging programme and has currently entered into swaps for 164,000/million tons with expiration dates ranging from three to 24 months forward. The hedges will be marked-to-market through the Income Statement.

STOLT-NIELSEN LIMITED
RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the consolidated Group and Company financial statements for the period December 1, 2014 to November 30, 2015 have been prepared in accordance with IFRS as adopted by the European Union and give a true and fair view of the Group's assets, liabilities, financial position and profit as a whole. In preparing these financial statements, we are required to:

– Select suitable accounting policies and then apply them consistently;

– Make judgements and accounting estimates that are reasonable;

– State whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and

– Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

We are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable us to ensure that the financial statements comply with the Bermuda Company Act of 1981. We are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. We are responsible for the maintenance and integrity of the Company's website. We highlight that legislation in Bermuda governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We also confirm, to the best of our knowledge, that the Financial Review and the Business Review include a fair review of important events that have occurred during the financial year and their impact on the financial statements, a description of the principal risks and uncertainties facing the Group and material related party transactions.

London
March 9, 2016

Signed for and on behalf of the Board of Directors

Niels G. Stolt-Nielsen
Chief Executive Officer

Jan Chr. Engelhardtsen
Chief Financial Officer

STOLT-NIELSEN LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STOLT-NIELSEN LIMITED

REPORT ON THE COMPANY FINANCIAL STATEMENTS

Our opinion

In our opinion, Stolt Nielsen Limited's company financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 November 2015 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 1981 (Bermuda).

What we have audited

The financial statements, included within the Annual Report, comprise:

- the balance sheets as at 30 November 2015;
- the income statement and statement of comprehensive income for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of changes in shareholders' equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law in Bermuda and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Responsibility Statement set out on page 115, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 90 of the Companies Act 1981 (Bermuda) and for no other purpose. We do not, in giving this opinion, 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OTHER MATTERS

We have reported separately on the group financial statements of Stolt-Nielsen Limited for the year ended 30 November 2015.

PricewaterhouseCoopers LLP
Chartered Accountants
London
March 9, 2016

STOLT-NIELSEN LIMITED
INCOME STATEMENTS FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014

(In U.S. Thousand Dollars)

		2015		2014
Revenue	$	767	$	713
Administrative and general expenses (Note 3)		(777)		(717)
Operating loss		(10)		(4)
Finance expense (Note 13)		(57,179)		(52,400)
Finance income (Note 13)		57,179		52,400
Foreign exchange gain		10		4
Dividend income (Note 5)		55,738		58,200
Profit before income taxes		55,738		58,200
Income tax expense (Note 2)		–		–
Net Profit	$	55,738	$	58,200

The accompanying notes form an integral part of these accounts.

STOLT-NIELSEN LIMITED
STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014

(In U.S. Thousand Dollars)

		2015		2014
Net profit for the year	**$**	**55,738**	$	58,200
Other comprehensive loss:				
Items that may be reclassified subsequently to profit or loss:				
Net loss on cash flow hedge (Note 14)		**(134,782)**		(115,904)
Reclassification of cash flow hedges to income statement (Note 14)		**128,828**		105,643
Other comprehensive loss for the year		**(5,954)**		(10,261)
Total comprehensive income	**$**	**49,784**	$	47,939

The accompanying notes form an integral part of these accounts.

OUR BUSINESS
FINANCIAL STATEMENTS
STOLT-NIELSEN LIMITED ANNUAL ACCOUNTS
SHAREHOLDER INFORMATION

STOLT-NIELSEN LIMITED
BALANCE SHEETS AS AT NOVEMBER 30, 2015 AND 2014
(In U.S. Thousand Dollars)

	2015	2014
ASSETS		
Cash and cash equivalents (Note 4)	$ 15	$ 15
Accounts receivable from subsidiaries (Note 5)	646,505	612,119
Other current assets	13,350	–
Total Current Assets	659,870	612,134
Investments in subsidiaries (Note 7)	581,818	581,818
Total Non-current Assets	581,818	581,818
Total Assets	$ 1,241,688	$ 1,193,952
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current maturities of long-term debt	$ 184,094	$ 98,808
Accounts payable to subsidiaries (Note 5)	176	167
Interest payable (Note 8)	6,223	8,970
Derivative financial instruments (Note 14)	137,173	34,566
Dividends payable (Note 8)	27,625	28,584
Total Current Liabilities	355,291	171,095
Long-term debt (Note 13)	417,028	592,565
Long-term payable to subsidiaries (Note 5)	85,632	32,822
Derivative financial instruments (Note 14)	178,774	161,923
Total Non-current Liabilities	681,434	787,310
Shareholders' Equity		
Founder's shares (Note 11)	16	16
Common shares, par value $1 (Note 11)	64,134	64,134
Paid-in surplus (Note 11)	396,608	396,608
Retained earnings	962	962
Other component of equity for hedging reserve (Note 14)	(42,341)	(36,387)
	419,379	425,333
Treasury shares (Note 11)	(214,416)	(189,786)
Total Shareholders' Equity	204,963	235,547
Total Liabilities and Shareholders' Equity	$ 1,241,688	$ 1,193,952

The accompanying notes form an integral part of these accounts.

STOLT-NIELSEN LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014

(In U.S. Thousand Dollars)

	Common Shares	Founder's Shares	Paid-in Surplus	Retained Earnings	Hedging Reserve	Treasury Shares	Total
Balance, December 1, 2013	**$ 64,134**	**$ 16**	**$ 396,700**	**$ 399**	**$ (26,126)**	**$ (169,374)**	**$ 265,749**
Comprehensive income (loss)							
Net Profit	–	–	–	58,200	–	–	58,200
Other comprehensive income:							
Net loss on cash flow hedge	–	–	–	–	(10,261)	–	(10,261)
Other comprehensive loss	–	–	–	–	(10,261)	–	(10,261)
Total comprehensive income (loss)	**–**	**–**	**–**	**58,200**	**(10,261)**	**–**	**47,939**
Transactions with shareholders							
Exercise of share options for 18,375 treasury shares	–	–	(92)	–	–	515	423
Repurchase of shares	–	–	–	–	–	(20,927)	(20,927)
Cash dividends paid – $1.00 per Common share	–	–	–	(57,566)	–	–	(57,566)
Cash dividends paid – $0.005 per Founder's share	–	–	–	(71)	–	–	(71)
Total transactions with shareholders	**–**	**–**	**(92)**	**(57,637)**	**–**	**(20,412)**	**(78,141)**
Balance, November 30, 2014	**$ 64,134**	**$ 16**	**$ 396,608**	**$ 962**	**$ (36,387)**	**$ (189,786)**	**$ 235,547**
Comprehensive income (loss)							
Net Profit	–	–	–	55,738	–	–	55,738
Other comprehensive income:							
Net loss on cash flow hedge	–	–	–	–	(5,954)	–	(5,954)
Other comprehensive loss	–	–	–	–	(5,954)	–	(5,954)
Total comprehensive income (loss)	**–**	**–**	**–**	**55,738**	**(5,954)**	**–**	**49,784**
Transactions with shareholders							
Purchase of 1,707,171 Treasury shares	–	–	–	–	–	(24,630)	(24,630)
Cash dividends paid – $1.00 per Common share	–	–	–	(55,669)	–	–	(55,669)
Cash dividends paid – $0.005 per Founder's share	–	–	–	(69)	–	–	(69)
Total transactions with shareholders	**–**	**–**	**–**	**(55,738)**	**–**	**(24,630)**	**(80,368)**
Balance, November 30, 2015	**$ 64,134**	**$ 16**	**$ 396,608**	**$ 962**	**$ (42,341)**	**$ (214,416)**	**$ 204,963**

The accompanying notes form an integral part of these accounts.

STOLT-NIELSEN LIMITED
STATEMENT OF CASH FLOWS FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014

(In U.S. Thousand Dollars)

	2015	2014
Cash provided by (used in) operating activities (Note 16)	**$ 119,734**	$ (80,455)
Interest paid	**(55,179)**	(47,847)
Debt issuance payments	**(1,632)**	(2,173)
Net cash provided by (used in) operating activities	**62,923**	(130,475)
Cash Flows (used in) generated by financing activities:		
Proceeds from issuance of long-term debt	**142,150**	207,090
Repayment of long-term debt	**(121,690)**	–
Proceeds from exercise of share options	**–**	423
Repurchase of shares	**(26,687)**	(18,870)
Dividends paid	**(56,696)**	(58,169)
Net cash flow (used in) generated by financing activities	**(62,923)**	130,474
Net decrease in cash and cash equivalents	**–**	(1)
Cash and cash equivalents at beginning of year	**15**	16
Cash and cash equivalents at the end of the year	**$ 15**	$ 15

The accompanying notes form an integral part of these accounts.

STOLT-NIELSEN LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE STRUCTURE AND MANAGEMENT

Stolt-Nielsen Limited (“SNL” or the "Company") is a limited liability holding company incorporated in Bermuda on June 11, 2010. The registered address of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and with the registration number EC 44330.

The object of the Company is the participation in any manner in all commercial, industrial, financial and other enterprises of Bermuda or foreign nationality through the acquisition by participation, subscription, purchase, option or by any other means of all shares, stocks, debentures, bonds or securities; the acquisition of patents and licences which the Company will administer and exploit; the Company may lend or borrow with or without security, provided that any money so borrowed may only be used for the purposes of the Company, or companies which are subsidiaries of or associated with or affiliated with the Company; and in general to undertake any operations directly or indirectly connected with such objectives as permitted by the Bermuda Company Act.

The Company holds direct and indirect investments in various subsidiaries throughout the world which transport, store and distribute bulk liquid chemicals, edible oils and other specialty liquids as well as subsidiaries and equity investees in seafood, the storage and distribution of bitumen and other subsidiaries which provide management and agency services to specified subsidiaries owned by the Company. The Company also commenced its operations in the transportation of Liquefied Petroleum Gas and Liquid Nitrogen Gas through its subsidiary, Stolt-Nielsen Gas Limited.

The functional and presentational currency of the Company is the U.S. dollar.

The Company is reimbursed by its subsidiaries for certain administrative and general expenses incurred on behalf of the subsidiaries.

The Company also prepares consolidated financial statements. Both these financial statements and the consolidated financial statements are prepared and published according to the provisions of the Bermudian Company law.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Stolt-Nielsen Limited have been prepared on a going concern basis using accounting policies consistent with International Financial Reporting Standards as adopted by the European Union (“IFRS”) and IFRIC Interpretations, applied on a consistent basis with the prior year.

The significant accounting policies used in the preparation of these financial statements are given below.

Basis of measurement

The financial statements are prepared on the historical cost basis with the exception of derivatives which are recorded at fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term time deposits, which are subject to an insignificant risk of changes in value.

Receivables and payables

Receivables and payables are initially valued at their fair value and subsequently at amortised cost. Receivables are subject to value adjustments where their recovery is compromised.

Investments in subsidiaries

The Company accounts for its investments in subsidiaries at historical cost. At each reporting date investments in subsidiaries are assessed for an indication of impairment. As the investments in subsidiaries are not listed on a stock exchange or dealt in another regulated market, market value corresponds to the probable market or recovery value estimated with care and in good faith by management. At November 30, 2015, no indication of impairment was identified.

Revenue recognition

Revenue is recorded for the reimbursement of administrative and general expenses when these transactions occur.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the foreign exchange rate prevailing at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated while non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates prevailing at the dates the fair value was determined.

STOLT-NIELSEN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
continued

Derivative financial instruments and hedging

The Company enters into forward exchange contracts to hedge foreign currency transactions and interest rate swaps to hedge the risk of variability of interest payments or a combination of these transactions. No instruments are held for speculative purposes.

Derivative financial instruments are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss on remeasurement is recognised immediately in the income statement unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition of any resultant gain or loss depends on the nature of the item being hedged. The impact in the income statement is shown in interest, foreign exchange or operating expenses, as appropriate, based on the underlying of the derivative.

(i) Determination of fair value
The fair value of interest rate swaps is the estimated amount that the Company would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at the balance sheet date.

(ii) Cash flow hedges
Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity. Any ineffective portion of the hedge is recognised immediately in the income statement.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into the income statement in the same period or periods during which the asset acquired or liability assumed affects profit or loss, i.e. when finance income or expense is recognised.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

Equity capital stock

The Company's capital comprises equity capital stock. Equity capital stock is measured based upon net proceeds.

Share-based payments

Where subsidiaries incur charges for share-based payments in respect of share options and awards granted by the Company, a capital contribution in the same amount is recognised as an investment in subsidiaries with a corresponding credit to shareholders' equity.

Finance expenses

Finance expenses are recognised in the income statement as they accrue, using the effective interest method.

Taxes

The Company is incorporated in Bermuda which is a non-taxable jurisdiction.

Dividends

Dividends recommended by the Board of Directors are recognised in the financial statements when they have been approved by the Shareholders at the Annual General Meeting. Interim dividends are recognised when approved by the Board of Directors.

IFRSs issued but not effective as of November 30, 2015

The following pronouncements, issued by the International Accounting Standard Board ("IASB"), are not yet effective:

IFRS 9, Financial Instruments, includes requirements for recognition and measurement, derecognition and hedge accounting. It is expected to be effective on or after January 1, 2018.

IFRS 15, Revenue from Contracts with Customers, establishes the principles that an entity shall use to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. It is effective for periods after January 1, 2017.

IFRS 16, Leases requires lessees to recognise assets and liabilities for most leases. This will result in an increase in lease assets and financial liabilities since all leases will be reported on the balance sheet, with the exception of short-term leases and leases of low-value assets. This accounting standard will be applicable to the Company for the year ending November 30, 2020.

The Company does not expect there to be a material impact on its Financial Statements from these standards, apart from additional disclosures in the financial statements.

Critical accounting policies

The Company reviews for impairment of its subsidiaries on a consolidated basis.

The fair value of cross-currency interest rate swaps is based on discounted cash flow models based upon the valuations received from brokers, taking into account current interest rates and foreign exchange rates and the current creditworthiness of the swap counterparties.

See the Critical Accounting Judgements and Key Sources of Estimation in the Consolidated Financial Statements of Stolt-Nielsen Limited included herein.

3. ADMINISTRATIVE AND GENERAL EXPENSES

Each non-executive director receives a Board fee and additional fees are paid for audit and legal expenses.

(in thousands)		2015		2014
Board and other costs	**$**	**777**	$	717
Total	**$**	**777**	$	717

At the end of 2015 and 2014 the Board of Directors consisted of five and six members, respectively.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and short-term time deposits, which are subject to an insignificant risk of changes in value.

5. RELATED PARTY TRANSACTIONS

Effective December 1, 2011, SNL entered into a related party loan with Stolt Tankers Holding Ltd ("Stolt Tankers") for $273.3 million. Stolt Tankers borrowed an additional $356.9 million during 2012 and $207.0 million during 2014. During 2014, the receivable from Stolt Tankers Holding Ltd was transferred to Stolt-Nielsen M.S. Ltd. (Bermuda). The interest rates on the loans range from 5.9% to 6.8% and mature from one to seven years. All remaining receivables and payables to subsidiaries at November 30, 2015 are non-interest bearing and repayable on demand with the majority being denominated in U.S. dollars. Their market value and contractual balances are in line with amounts recorded. At November 30, 2015, no receivables are over-due or impaired. The maximum exposure to credit risk is the carrying value of the receivables.

(in thousands)		2015		2014
Accounts receivable from subsidiaries				
Stolt-Nielsen M.S. Ltd. (Bermuda)	**$**	**–**	$	493,235
Stolt-Nielsen Group Resources Ltd		**646,505**		118,884
	$	**646,505**	$	612,119
Accounts payable to subsidiaries				
Other		**176**		167
	$	**176**	$	167
Long-term payable to subsidiaries				
Stolt-Nielsen M.S. Ltd. (Bermuda)	**$**	**85,632**	$	32,822

Receivables to subsidiaries of $646.5 million were primarily the result of the historical issuance of shares, proceeds from long-term debt issuance, payment of dividends and billings of expenses to subsidiaries, prior acquisitions of investments, receipt of dividends from subsidiary companies and normal expenses.

Dividends received of $55.7 million and $58.2 million were from Stolt-Nielsen Group Resources Ltd for the year ended November 30, 2015 and 2014, respectively.

The long-term payable to Stolt-Nielsen M.S. Ltd (Bermuda) related to the acquisition of a subsidiary.

STOLT-NIELSEN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
continued

The Company has no employees as all services are performed by employees of its subsidiaries. Board of Directors' and key management compensation for SNL are as follows for the full year 2015 and 2014:

(in thousands)	**2015**	2014
Board fees	**$ 490**	$ 605
Salary and benefits	**5,629**	5,848
Profit sharing	**1,546**	649
Long-term incentives	**819**	733
Pension cost	**1,007**	729
Total compensation and benefits	**$ 9,491**	$ 8,564
Average number of key managers included	**10**	8

Key management includes the Executive Officers and Presidents of the major businesses.

The Company is ultimately controlled by trusts for the benefit of the Stolt-Nielsen family.

6. OTHER CURRENT ASSETS

Other current assets represent $13.4 million of cash collateral held by the counterparties of the cross-currency interest rate swaps. A cash margin is posted when the mark-to-market exceeds a predetermined threshold.

7. INVESTMENTS IN SUBSIDIARIES

Investments in which the Company holds at least 20% in their share capital are as follows:

Undertakings' Name (Legal Form)	Registered Office	Ownership %	November 30, 2014	Additions/ (deductions)	November 30, 2015
(in thousands)					
Stolt-Nielsen M.S. Ltd.	Bermuda	100%	$ 17	$ –	$ 17
Stolt-Nielsen Group Resources Ltd.	Liberia	100%	327,680	–	327,680
Stolt-Nielsen Gas Limited	Bermuda	94%	63,952	–	63,952
Stolt-Nielsen Investment NV	Curacaos	100%	45,364	–	45,364
Stolt Tankers Holding Ltd.	Bermuda	100%	144,785	–	144,785
Stolt-Nielsen Ship Finance Ltd.	Bermuda	100%	10	–	10
Stolt-Nielsen Finance Ltd.	Bermuda	100%	10	–	10
			$ 581,818	$ –	$ 581,818

The following indirect subsidiaries of the Company are considered to be significant as either their consolidated assets or revenues contribute 5% or more of the results of Consolidated Stolt-Nielsen Limited:

Undertakings' Name (Legal Form)	Registered Office	Ownership %
Stolt-Nielsen USA	USA	100%
Stolt Tankers BV	The Netherlands	100%
Stolt Tank Containers BV	The Netherlands	100%
Stolthaven Terminals BV	The Netherlands	100%

8. OTHER PAYABLES

At November 30, 2015, the balance of other payables mainly related to the 2015 interim dividend of $27.6 million and interest payable of $6.2 million on long-term debt.

The balance of other payables as at November 30, 2014 mainly related to the 2014 interim dividend of $28.6 million and interest payable of $9.0 million on long-term debt.

9. COMMITMENTS AND CONTINGENCIES

As of November 30, 2015, the Company has guaranteed substantially all of the $1,150.2 million in long-term debt obligations of its direct and indirect subsidiaries.

As of November 30, 2015, the Company's subsidiaries and certain of its indirect subsidiaries had various credit lines payable through 2019 totalling $526.4 million, of which $416.4 million of committed lines was undrawn and available for future use. Substantially all of the short-term bank loans outstanding under these credit facilities at November 30, 2015 are guaranteed by the Company. Several of the credit facilities contain various financial covenants, which, if not complied with, could limit the ability to draw funds from time to time.

Substantially all debt held by subsidiaries is secured on assets owned by the Company's subsidiaries; therefore, no liability has been recorded in relation to the fair value of this guarantee.

Subsidiaries of the Company have entered into contracts for the purchase of foreign currencies under their foreign exchange lines with various banks. Any contracts entered into pursuant to these lines generally are guaranteed by the Company. Certain of the currency positions entered into by these subsidiaries effectively have been closed by entering into offsetting foreign exchange contracts. At November 30, 2015, the total market value of the currencies which these subsidiaries had contracted to purchase pursuant to open foreign exchange contracts maturing through November 2015 was $34.6 million.

10. LEGAL PROCEEDINGS

There are various legal proceedings arising in the ordinary course of business and in cases where the Company believes the likelihood of losses is probable and can be estimated provisions would be recorded. Whilst ongoing legal proceedings could have a material adverse effect on the Company's financial position or results of operations in the future, the Company believes that none of these matters will have a material adverse effect on its business or financial condition.

During 2015 and 2014, the Company has been involved in certain civil litigation cases, which are described below.

To the extent that they are not covered by insurance, the Company expects to incur legal costs until these matters are resolved. For the matters described below, the Company incurred legal costs of $1.0 million and $1.0 million in the years ended November 30, 2015 and 2014, respectively, which are included in "Administrative and general expenses" in the consolidated income statements.

Collision involving *Stolt Commitment*

On December 16, 2015, the *Stolt Commitment* was involved in a collision with the general cargo ship *Thorco Cloud*, whilst in the Singapore traffic separation scheme. As a consequence of these events, the *Thorco Cloud* sank with the loss of three lives, three other crewmen being unaccounted for. She was carrying a cargo of steel. The *Stolt Commitment* was damaged in the collision and arrangements made to transship the cargo on board in Malaysia, following which she will go for repair. General average has been declared. The wreck of the *Thorco Cloud*, which is in two pieces, will require removal along with the salvage of bunkers on board the ship when she sank.

Claims have been made against the *Stolt Commitment* and her insurers by the owners of the *Thorco Cloud* and her insurers, and those interested in the cargo on board the *Thorco Cloud*. Claims have been made by the *Stolt Commitment* against the owners of the *Thorco Cloud* and her insurers. Responsibility for the collision has not yet been determined but any losses, repair and legal costs will be covered by insurance maintained by the Company, subject to deductibles and certain unrecoverable expenses. It is not expected that there will be a material adverse effect on the Company's business or financial condition.

STOLT-NIELSEN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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Civil actions as a result of Hurricane Isaac

Following the flooding at the terminal in New Orleans/Braithwaite, two class actions and multiple individual actions were filed at the District Court in the Parish of Plaquemines, State of Louisiana.

All actions allege pollution of the claimants' properties with liquids stored at the terminal and allegedly released as a consequence of the flooding. The actions are being defended and the monitoring of air quality, sampling of the flood waters and soil testing, all carried out in cooperation with the various government authorities, have shown results within the guidelines established by the Louisiana Department of Environmental Quality.

In addition, Stolthaven New Orleans LLC has received a number of claims from residents for costs and/or damages via a claims hotline and all such claims have been made part of the above-referenced litigation.

All these matters including the legal fees for the defence are covered by insurance maintained by the Company and it is not expected that they will have a material adverse effect on its business or financial condition.

Civil actions as a result of the fire on the *MSC Flaminia*

On July 14, 2012, a fire broke out aboard the *MSC Flaminia* during the ship's crossing of the Atlantic Ocean in cargo hold number 4. During the crew's attempt to extinguish the fire, an explosion occurred. Stolt Tank Containers ("STC") had 29 tank containers on board the ship, three of which were stowed in cargo hold number 4. These tanks carried various products for various customers.

STC filed claims for the replacement value of the tank containers and the product carried. In August 2012 vessel interests declared General Average. The vessel was initially hauled to Germany and then sailed onward to Romania for inspection, investigation and discharge operations.

On May 29, 2013, the vessel interests, namely the owner, manager and operator, filed counter and cross claims against STC and Detach, the shipper of the three tank containers stowed in cargo hold number 4, alleging that these tank containers were the cause of the fire and that STC did not adequately warn of the inherently dangerous nature of the cargo. Since that time, several other cargo claimants have filed cross claims against STC and Detach. The court agreed to extend time to answer all counter and/or cross claims to August 1, 2013. All parties had until July 1, 2013 to file counter and/or cross claims. STC filed counter and cross claims against vessel interests and those cargo claimants who had cargo stowed in cargo hold numbers 4, 5 and 6.

There has been some indication in the official German investigation report that shows STC tank containers may have been the original ignition source of the fire. However, the German report also presents other possible ignition sources. The matter is in the hands of the insurers and, other than the deductible of $100,000, all other claims and expected costs are covered by insurance and it is not expected that they will have a material adverse effect on the Company's business or financial condition.

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.

11. CAPITAL STOCK AND FOUNDER'S SHARES

	Founder's Shares par value $0.001 per share		Common Shares par value $1 per share	
(in thousands)	Shares Issued	Treasury Shares	Shares Issued	Treasury Shares
Balance at December 1, 2014	16,033,449	1,828,693	64,133,796	7,314,770
Repurchase of treasury shares	–	426,792	–	1,707,171
Balance at November 30, 2015	**16,033,449**	**2,255,485**	**64,133,796**	**9,021,941**

Under the Bermuda Company Law, Founder's shares are not considered as representing capital of the Company.

Share rights

The Company's authorised share capital consists of 65,000,000 Common shares, par value $1.00 per share, and 16,250,000 Founder's shares, par value $0.001 per share. Except for matters where applicable law requires the approval of both classes of shares voting as separate classes, Common shares and Founder's shares vote as a single class on all matters submitted to a vote of the shareholders, with each share entitled to one vote.

Under the Bye-laws, holders of Common shares and Founder's shares participate in annual dividends, if any are declared by the Company, in the following order of priority: (i) $0.005 per share to Founder's shares and Common shares equally; and (ii) thereafter, all further amounts are payable to Common shares only.

Furthermore, the Bye-laws also set forth the priorities to be applied to each of the Common shares and Founder's shares in the event of a liquidation. Under the Bye-laws, in the event of a liquidation, all debts and obligations of the Company must first be paid and thereafter all remaining assets of the Company are paid to the holders of Common shares and Founder's shares in the following order of priority:

(i) Common shares ratably to the extent of the par value thereof ($1.00 per share); (ii) Common shares and Founder's shares participate equally up to $0.05 per share; and (iii) thereafter, Common shares are entitled to all remaining assets.

Founder's Shares and Treasury Shares

As of November 30, 2015 and 2014, 13,777,964 and 14,204,756, respectively, of Founder's shares had been issued to Fiducia Ltd, net of Treasury shares. Additional Founder's shares are issuable to holders of outstanding Founder's shares without consideration, in quantities sufficient to maintain a ratio of Common shares to Founder's shares of 4 to 1.

Founder's shares and treasury shares

As of November 30, 2015 and 2014, 9,021,941 and 7,314,770, respectively, of Treasury shares were held by the Company. The Company also held 2,255,485 and 1,828,693 of Founder's shares for the same periods.

Share repurchase

The Company announced on November 18, 2014 that the Board of Directors has authorised the Company to purchase up to $50 million worth of its common shares. The total number repurchased under this programme in 2015 and 2014 was 1.7 million for $24.6 million and 1.3 million for $20.9 million, respectively. Of the total purchased in 2014, $2.1 million was settled after November 30, 2014. The Company also acquired 0.4 million and 0.3 million Founder's shares for the years ended November 30, 2015 and 2014, respectively. The repurchases resulted in the Company holding 9,021,941 of SNL shares at November 30, 2015.

Capital management

The Company defines capital as net debt and shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, repurchase shares or sell assets to reduce debt. Capital management for the Company is performed on a consolidated basis with its subsidiaries. See the Consolidated Financial Statements of Stolt-Nielsen Limited for further discussion of how Consolidated Stolt-Nielsen Limited manages its capital.

12. DIVIDENDS

On November 11, 2015, SNL'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, SNL's Board of Directors recommended a final dividend 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.

For November 11, 2014, the Company'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, 2014. The total gross amount of the dividend was $28.5 million, which was classified as an interim dividend and paid on December 11, 2014.

On February 7, 2014, SNL's Board of Directors recommended a final dividend of $0.50 per Common share, payable to Shareholders of record as of April 24, 2014. The dividend, which was subject to Shareholder approval, was approved at the Company's Annual General Meeting of Shareholders on April 15, 2014 in Bermuda. The total gross amount of the dividend was $29.1 million and paid on May 8, 2014.

Final dividends are approved by the Shareholders once a year at the Annual General Meeting; both advance and final dividends can be paid out of any SNL earnings, retained or current, as well as the shared premium account, subject to Shareholder approval.

13. LONG-TERM DEBT AND FINANCE EXPENSES

The Company announced on March 26, 2015 the placement of senior unsecured bonds for NOK 1,100 million (approximately $142.2 million) in a new five-year bond issue carrying a coupon rate of three-month NIBOR plus 4.1%, which was fixed at 6.22% through interest rate swaps. The settlement date for the bonds was April 8, 2015. Net proceeds from the bond issue were used for general corporate purposes.

On March 3, 2014, the Company finalised a placement of senior unsecured bonds in a total amount of NOK 1,250 million (approximately $207 million) in a new seven-year bond issue. The settlement date for the new bonds was March 18, 2014. The Company has swapped the new bonds into U.S. dollar obligations at a fixed interest rate of 5.89%.

On September 4, 2012, SNL received NOK 500 million ($85.9 million) on a new seven-year senior unsecured bond issue and an increase of NOK 200 million ($34.3 million) in the existing five-year bond issue. The placement was oversubscribed. The placement date for the bonds was August 23, 2012. SNL swapped the new bonds into USD obligations for a total of $120.2 million at a fixed interest rate of 6.84% for the seven-year bonds and 6.28% for the five-year bonds.

STOLT-NIELSEN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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On March 9, 2012, SNL placed a NOK 600 million ($105.2 million) six-year senior unsecured bond issue in the Norwegian market. SNL swapped the bond issues into USD obligations at a fixed interest rate of 6.79% for the six-year bonds.

On June 9, 2011, the Company completed the successful placement of a NOK 1.6 billion ($300.0 million) five-year senior unsecured bond issue. The bond issue has a coupon rate of three-month NIBOR plus 4.75%. The interest and principal were swapped from NOK to U.S. dollar as well as the floating interest rate swapped to 6.63% using a cross-currency interest rate swap.

Finance expenses of $57.2 million and $52.4 million relate to the senior unsecured bond issue for the years ended November 30, 2015 and 2014, respectively.

Debt issuance costs of $4.5 million and $4.7 million have been netted against long-term debt at November 30, 2015 and 2014, respectively. Debt issuance costs recognised as part of effective interest rates were $1.9 million and $1.8 million for the years ended November 30, 2015 and 2014, respectively.

14. DERIVATIVE ASSETS AND LIABILITIES

	November 30, 2015		November 30, 2014	
(in thousands)	**Assets**	**Liabilities**	Assets	Liabilities
Cross-currency interest rate swaps – cash flow hedges				
Current portion	**$ –**	**$ 137,173**	$ –	$ 34,566
Non-current portion	**–**	**178,774**	–	161,923
	$ –	**$ 315,947**	$ –	$ 196,489

The Company's derivative activities are financial instruments not traded on a stock exchange but entered into with major financial institutions for hedging the Company's long-term debt and which subject the Company to a minimum level of counterparty risk. The Company does not believe that it has a material exposure to credit risk from third parties failing to perform according to the terms of hedge instruments.

The net loss recognised in equity for cross-currency interest rate swaps was $6.0 million for the year ended November 30, 2015 and $10.3 million for the year ended November 30, 2014.

The notional value of the cross-currency interest rate swap was $874.7 million and $854.2 million as of November 30, 2015 and 2014, respectively. These derivatives have been designated as cash flow hedges. For the years ended November 30, 2015 and 2014, $17.9 million and $5.7 million loss, respectively, were recognised in finance expense. The balance is expected to be reclassified to earnings in 2016 to 2022. Nothing has been reclassified into earnings for the ineffective portion of the derivative instruments for the years ended November 30, 2015 or 2014.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk management

The Company's objectives when managing capital are to safeguard the Company and its subsidiaries' ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company and its subsidiaries' activities expose it to a variety of financial risks such as market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company and its subsidiaries' financial performance.

Risk management is carried out by a central Treasury department under policies approved by the Board of Directors. The Company's Treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity. All risk management is performed for the Company and its subsidiaries on a consolidated basis.

Fair value of financial instruments

The following estimated fair value amounts of financial instruments have been determined by the Company, 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:

(in thousands)	2015 Carrying Amount	2015 Fair Value	2014 Carrying Amount	2014 Fair Value
	As of November 30,			
Financial assets (Loans and receivables):				
Cash and cash equivalents	**$ 15**	**$ 15**	$ 15	$ 15
Accounts receivable from subsidiaries	**646,505**	**646,505**	612,119	612,119
Other current assets	**13,350**	**13,350**	–	–
Financial liabilities (Amortised costs):				
Accounts payable to subsidiaries	**176**	**176**	167	167
Interest payables	**6,223**	**6,223**	8,970	8,970
Dividend payable	**27,625**	**27,625**	28,584	28,584
Long-term payable to subsidiaries	**85,632**	**85,632**	32,822	32,822
Long-term debt including current maturities	**605,585**	**626,599**	696,092	702,005
Derivative financial instruments (Fair value):				
Cross-currency interest rate swaps	**315,947**	**315,947**	196,489	196,489

The carrying amount of cash and cash equivalents, accounts receivable from subsidiaries, other current assets, accounts payable to subsidiaries, interest payable, dividend payable and long-term payable to subsidiaries are a reasonable estimate of their fair value, due to the short maturity thereof. The estimated value of the Company's long-term debt is based on trading values as of November 30, 2015 and 2014. Market value of cross-currency interest rate swaps was estimated based on the amount the Company would receive or pay to terminate its agreements as of November 30, 2015 and 2014. Long-term debt in the table above excludes debt issuance costs of $4.5 million and $4.7 million for the years ended November 30, 2015 and 2014, respectively.

The Company has no financial assets which would otherwise have been past due or impaired that have been renegotiated.

STOLT-NIELSEN LIMITED
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Maturity of financial liabilities

(in thousands)	For the year ended November 30, 2015 Less than 1 yr	2-3 yrs	4-5 yrs	More than 5 yrs	Total
Contractual obligations:					
Interest payable	**$ 6,223**	**$ –**	**$ –**	**$ –**	**$ 6,223**
Dividend payable	**27,625**	**–**	**–**	**–**	**27,625**
Long-term debt including current maturities	**184,559**	**92,280**	**184,559**	**144,187**	**605,585**
Interest on long-term debt	**52,031**	**68,538**	**44,137**	**6,129**	**170,835**
Derivative financial liabilities	**137,765**	**76,755**	**59,528**	**65,265**	**339,313**
Total contractual obligations	**$ 408,203**	**$ 237,573**	**$ 288,224**	**$ 215,581**	**$ 1,149,581**

(in thousands)	For the year ended November 30, 2014 Less than 1 yr	2-3 yrs	4-5 yrs	More than 5 yrs	Total
Contractual obligations:					
Interest payable	$ 8,970	$ –	$ –	$ –	$ 8,970
Dividend payable	28,584	–	–	–	28,584
Long-term debt including current maturities	100,467	229,638	186,581	179,406	696,092
Interest on long-term debt	38,176	51,164	32,004	15,139	136,483
Derivative financial liabilities	34,042	89,857	48,165	31,068	203,132
Total contractual obligations	$ 210,239	$ 370,659	$ 266,750	$ 225,613	$ 1,073,261

Long-term debt in the table above excludes debt issuance costs of $4.5 million and $4.7 million for the years ended November 30, 2015 and 2014, respectively. Derivative financial liabilities are stated at future undiscounted cash flows; therefore, they do not agree to the balance sheet.

Market risk

The Company is exposed to market risk, including changes in interest rates and currency exchange rates. To manage the volatility relating to these exposures, the Company enters into derivative transactions in accordance with Company policies. The financial impact of these instruments is offset by corresponding changes in the underlying exposures being hedged. Derivative instruments are not held for trading or speculative purposes.

Concentration of credit risk

Receivables are from subsidiaries and with counterparties on derivative financial instruments. The maximum exposure to credit risk is the Accounts Receivable balance of $646.5 million. The Company reviews the financial instrument counterparties' credit ratings upon entering into a derivative contract. There are no past due receivables and no allowance for doubtful accounts.

Liquidity risk

Cash flow forecasting is performed by the subsidiaries of the Company and is aggregated at the corporate level. The Treasury department monitors rolling forecasts of the Company subsidiaries' liquidity requirements to ensure the Company and its subsidiaries have sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and certain currencies' restrictions.

Fair value estimation

The below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- 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 Company's derivative liabilities of $315.9 million and $196.5 million as of November 30, 2015 and 2014, respectively, are measured using inputs other than quoted prices (level 2).

16. RECONCILIATION OF NET PROFIT TO CASH PROVIDED BY (USED IN) OPERATIONS

(in thousands)	For the Years Ended November 30, 2015	2014
Net profit	**$ 55,738**	$ 58,200
Adjustments to reconcile net profit to net cash from operating activities:		
Finance expense	**57,179**	52,400
Finance income	**(57,179)**	(52,400)
Changes in assets and liabilities:		
Decrease (increase) in accounts receivables from subsidiaries	**77,660**	(683)
Increase in other current assets	**(13,350)**	–
Increase (decrease) in accounts payable from subsidiaries	**9**	(137,972)
Other	**(323)**	–
Cash provided by (used in) operations	**$ 119,734**	$ (80,455)

17. SUBSEQUENT EVENTS

On March 2 2016, the Company announced that the Board of Directors had authorised the Company to purchase up to $30 million worth of its common shares through open market transactions. Subsequent to November 30 2015, the Company purchased 115,000 of its common shares.

On December 31, 2015, the Company announced the passing of Christer Olsson, Chairman of the Board of Stolt-Nielsen Limited, at the age of 70. Mr. Olsson had served as a Director of the Company since 1993, and as Chairman of the Board since December 15, 2009, when he succeeded Jacob Stolt-Nielsen, the Company's founder. A new chairman will be elected at the Company's Annual General Meeting in April 2016.

On December 17, 2015, the Board of Directors announced the appointment of a new director, Rolf Habben Jansen, Chief Executive Officer of Hapag-Lloyd AG. The Board of Directors of SNL received approval at the Company's Annual General Meeting in April 2015 to fill two vacancies.

On December 11, 2015, the Company paid interim dividends for a gross amount $27.6 million. The Company's Board of Directors had declared the dividend of $0.50 per Common share and $0.005 per Founder's share on November 11, 2015 for Shareholders of record as of November 26, 2015.

SHAREHOLDER INFORMATION

STOCK LISTING

Common Shares
On Oslo Børs under symbol SNI

SHARES OUTSTANDING

(as of November 30, 2015)
Common Shares – 55,111,855

COUNTRY OF INCORPORATION

Bermuda

ANNUAL GENERAL MEETING

April 21, 2016 at 11:00 a.m.
Clarendon House, 2 Church Street
Hamilton HM 11
Bermuda

REGISTRAR

Common Shares – VPS
DNB Bank ASA
Dronning Eufemias gate 30
0191 Oslo, Norway
Tel: +47 23 26 80 30
Email: irene.johansen@dnb.no

AUDITORS

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH
England

FINANCIAL INFORMATION

Copies of press releases and quarterly earnings releases are available on the internet at www.stolt-nielsen.com or by contacting:

Stolt-Nielsen M.S. Ltd.
65 Kingsway
London WC2B 6TD U.K.
Tel: +44 20 7611 8960
Email: investors@stolt.com

INVESTOR RELATIONS AND PRESS INQUIRIES

Shareholder, securities analysts, portfolio managers, representatives of financial institutions, and the press may contact:

Jan Chr. Engelhardtsen
Stolt-Nielsen Limited
c/o Stolt-Nielsen M.S. Ltd
65 Kingsway
London WC2B 6TD U.K.
Tel: +44 20 7611 8972
Email: j.engelhardtsen@stolt.com

Jens F. Grüner-Hegge
Stolt-Nielsen M.S. Ltd
65 Kingsway
London WC2B 6TD U.K.
Tel: +44 20 7611 8985
Email: j.gruner-hegge@stolt.com

INTERNET ADDRESS

www.stolt-nielsen.com

STOLT-NIELSEN OFFICES AND FACILITIES

ARGENTINA
Stolt-Nielsen Argentina S.A.
Buenos Aires
Tel: +54 11 4345 5001

AUSTRALIA
Stolt-Nielsen Australia Pty Ltd
Melbourne
Tel: +61 3 9820 3288
Stolthaven Australia Pty Ltd
Altona
Tel: +61 3 9931 1880

BERMUDA
Stolt-Nielsen M.S. Ltd
Hamilton
Tel: +1 441 292 7337
Stolt Tank Containers Leasing Ltd
Tel: +1 441 292 7371

BRAZIL
Stolthaven Santos Ltda.
Santos
Tel: +55 13 3295 9000
Stolt-Nielsen Brasil Afretamento Ltda.
São Paulo
Tel: +55 11 3897 4999

CHINA
Stolt-Nielsen Transportation Shanghai Ltd.
Shanghai
Tel: +86 21 58 779779
Stolt-Nielsen Transportation Shanghai Ltd.
Shenzhen
Tel: +86 755 2667 6359
Stolt-Nielsen Transportation Shanghai Ltd.Tianjin
Tel: +86 22 2837 2278

COLOMBIA
Stolt Tank Containers Colombia Ltda.
Bogota
Tel: +57 1 520 9205

FRANCE
Stolt Tank Containers France SAS
Le Havre
Tel: +33 2 32 79 63 00

GERMANY
Stolt Tank Containers Germany GmbH
Hamburg
Tel: +49 40 35 09 08 0
Stolt-Nielsen Germany GmbH
DuisburgTel: +49 20 66 20 99 55

INDIA
Stolt Tankers B.V.
Mumbai
Tel: +91 22 2406 5602
Stolt Tank Containers B.V.
Mumbai
Tel: +91 22 2406 5603

ITALY
Stolt Tank Containers Italy S.r.l.
Savona
Tel: +39 019 216 0190

JAPAN
Stolt-Nielsen Japan Co Ltd
Tokyo
Tel: +81 3 5562 7001

KOREA
Stolt-Nielsen Korea Ltd.
Seoul
Tel: +82 2 720 6756

MEXICO
Stolt-Nielsen Mexico S.A. de C.V.
Mexico City
Tel: +52 55 5308 2609

NETHERLANDS
Stolt Tankers B.V.
Rotterdam
Tel: +31 10 299 66 66
Stolthaven Terminals B.V.
Rotterdam
Tel: +31 10 299 66 66
Stolt Tank Containers B.V.
Rotterdam
Tel: +31 10 281 88 88

NEW ZEALAND
Stolthaven New Zealand Limited
Auckland
Tel: +64 9 917 2520

NORWAY
Stolt-Nielsen Norway AS
Oslo
Tel: +47 22 80 75 80
Stolt-Nielsen Gas AS
Oslo
Tel: +47 22 00 48 00

PHILIPPINES
Stolt-Nielsen Philippines, Inc.
Manila
Tel: +63 2 830 7900

SAUDI ARABIA
Stolt Tank Containers Saudi Arabia Ltd
Dammam
Tel: +96 61 3887 0969

SINGAPORE
Stolt-Nielsen Singapore Pte. Ltd
Tel: +65 6273 4844
Stolt Bitumen Singapore Pte. Ltd
Tel: +65 6273 6135

SOUTH AFRICA
Stolt-Nielsen Africa Pty Ltd
Durban
Tel: +27 31 561 4122

SPAIN
Stolt Sea Farm S.A.
Santiago de Compostela
Tel: +34 981 837501

SWITZERLAND
Stolt-Nielsen Switzerland AG
Zug
Tel: +41 41 726 3020
Taiwan
Stolt-Nielsen Taiwan Co Ltd
Taipei
Tel: +886 2 2518 5078

TURKEY
Stolt Tank Containers Istanbul Denzcilik ve Nakliyat A.S.
Istanbul
Tel: +90 216 467 7730

UNITED ARAB EMIRATES
Stolt-Nielsen Indian Ocean & Middle East Service Ltd
Dubai
Tel: +971 4 3842 444

UNITED KINGDOM
Stolt-Nielsen M.S. Ltd
London
Tel: +44 20 7611 8960
Stolt Tank Containers UK Ltd
Romford
Tel: +44 1708 746 070
Stolthaven Dagenham Ltd
Dagenham
Tel: +44 20 8593 7211

UNITED STATES
Stolt-Nielsen USA Inc.
Norwalk, CT
Tel: +1 203 838 7100
Stolt-Nielsen USA Inc.
Houston, TX
Tel: +1 281 457 0303
Stolthaven Houston Inc.
Houston, TX
Tel: +1 281 860 6800
Stolthaven New Orleans LLC
New Orleans, LA
Tel: +1 504 682 9989
Sterling Caviar LLC
Elverta, CA
Tel: +1 916 991 4420

Stolt-Nielsen Limited
c/o Stolt-Nielsen M.S. Ltd.
65 Kingsway
London WC2B 6TD U.K.

Tel: +44 20 7611 8960
Fax: +44 20 7611 8965
www.stolt-nielsen.com