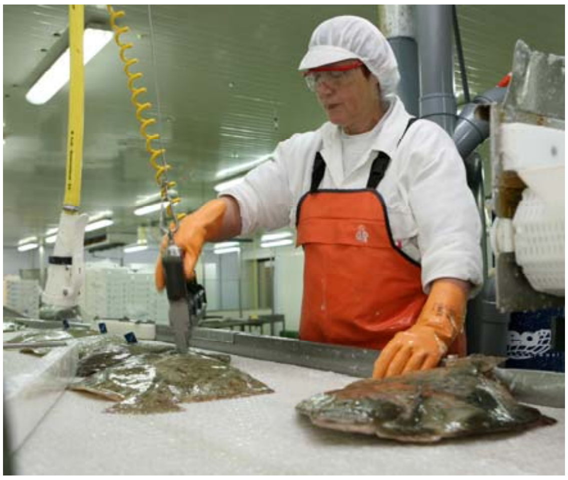

STOLT-NIELSEN S.A.

FINANCIAL STATEMENTS

For the Year Ended November 30, 2009

INDEX TO FINANCIAL STATEMENTS

PRICEWATERHOUSECOOPERS

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Independent Auditor's report

To the Shareholders of
Stolt-Nielsen S.A.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Stolt-Nielsen S.A., which comprise the consolidated balance sheet as at November 30, 2009, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in Shareholders' equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Board of Director's responsibility for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the "Institut des Réviseurs d'Entreprises". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements give a true and fair view of the consolidated financial position of Stolt-Nielsen S.A. as of November 30, 2009, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The consolidated management report, which is the responsibility of the Board of Directors and is comprised of the Financial Review and Business Review, is in accordance with the consolidated financial statements.

PricewaterhouseCoopers S.à r.l.
Réviseur d'entreprises
Represented by

Luxembourg, February 1, 2010

Laurence Demelenne

STOLT-NIELSEN S.A.

CONSOLIDATED INCOME STATEMENTS

	For the years ended November 30,	
	2009	**2008**
	(in thousands, except per share data)	
Operating Revenue (Notes 3 and 4)	**$ 1,645,135**	$ 1,997,627
Operating Expenses (Note 5)	**(1,369,467)**	(1,631,390)
Gross Profit	**275,668**	366,237
Share of profit of joint ventures and associates (Note 16)	**19,748**	21,205
Administrative and general expenses (Note 5)	**(172,593)**	(199,033)
Restructuring charges (Note 22)	**(649)**	(786)
Gain on disposal of assets, net (Note 7)	**439**	13,784
Other operating income	**1,273**	1,575
Other operating expense	**(1,470)**	(532)
Operating Profit	**122,416**	202,450
Non-Operating Income (Expense):		
Finance expense (Note 8)	**(30,659)**	(30,922)
Finance income (Note 8)	**5,347**	7,981
Foreign currency exchange gain	**7,703**	3,839
Non-operating income	**186**	—
Profit before Income Tax	**104,993**	183,348
Income tax expense (Note 9)	**(9,467)**	(6,010)
Net Profit	**$ 95,526**	$ 177,338
***Attributable to*:**		
Equity holders of SNSA	**95,233**	177,679
Non-controlling interests	**293**	(341)
	$ 95,526	$ 177,338
Earnings per Share (Note 29):		
Net profit attributable to SNSA shareholders		
Basic	**$ 1.60**	$ 2.98
Diluted	**$ 1.59**	$ 2.97

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

STOLT-NIELSEN S.A.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the years ended November 30,	
	2009	**2008**
	(in thousands)	
Net profit for the year	**$ 95,526**	$ 177,338
Other comprehensive income:		
Net gain (loss) on cash flow hedges recognised in equity (Note 30)	**76,155**	(84,225)
Deferred tax credit on cash flow hedges	**6,914**	—
Net gain on cash flow hedge held by a joint venture recognised in equity (Note 16)	**4,331**	4,720
Exchange differences arising on translation of foreign operations	**40,557**	(16,351)
Deferred tax expense on translation of foreign operations	**(6,810)**	—
Exchange differences arising on translation of joint ventures and associates (Note 16)	**21,262**	(25,194)
Actuarial loss on pension schemes (Note 23)	**(14,651)**	(34,973)
Deferred tax credit on actuarial loss on pension schemes (Note 9)	**4,914**	10,525
Other comprehensive income for the year, net of tax	**132,672**	(145,498)
Total comprehensive income	**$ 228,198**	$ 31,840
Attributable to:		
Equity holders of SNSA	**227,905**	32,181
Non-controlling interests	**293**	(341)
	$ 228,198	$ 31,840

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

STOLT-NIELSEN S.A.

CONSOLIDATED BALANCE SHEETS

	As at November 30, 2009	2008
	(in thousands, except share data)	
ASSETS		
Current Assets:		
Cash and cash equivalents (Note 10)	**$ 38,459**	$ 34,257
Cash collateral for bunker hedge losses (Note 10)	**—**	23,361
Receivables (Note 11)	**147,626**	185,285
Inventories (Note 12)	**7,501**	8,103
Biological assets (Note 13)	**30,426**	25,812
Prepaid expenses	**46,340**	56,284
Assets held for sale (Note 15)	**3,646**	7,538
Derivative financial instruments (Note 30)	**11,863**	23
Income tax receivable	**9,884**	14,200
Other current assets	**22,601**	24,911
Total Current Assets	**318,346**	379,774
Property, plant and equipment (Note 15)	**2,508,656**	2,339,953
Investments in and advances to joint ventures and associates (Note 16)	**306,095**	304,477
Deferred tax assets (Note 9)	**15,263**	9,311
Intangible assets and goodwill, net (Note 17)	**34,821**	29,695
Employee benefit assets (Note 23)	**14,507**	8,619
Derivative financial instruments (Note 30)	**1,276**	—
Other assets	**12,008**	9,759
Total Non-current Assets	**2,892,626**	2,701,814
Total Assets	**$ 3,210,972**	$ 3,081,588
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term bank loans (Note 19)	**$ 355,900**	$ 475,555
Current maturities of long-term debt and finance leases (Note 20)	**84,035**	65,322
Accounts payable (Note 18)	**59,601**	61,721
Accrued voyage expenses	**61,267**	61,670
Dividend payable	**29,900**	29,892
Accrued expenses	**129,429**	146,686
Provisions (Note 22)	**14,770**	11,864
Income tax payable	**12,691**	10,001
Derivative financial instruments (Note 30)	**9,895**	76,764
Other current liabilities	**15,546**	16,030
Total Current Liabilities	**773,034**	955,505
Long-term debt and finance leases (Note 20)	**840,472**	734,935
Deferred tax liabilities (Note 9)	**7,017**	7,721
Employee benefits (Note 23)	**59,881**	47,600
Derivative financial instruments (Note 30)	**12,220**	15,068
Other liabilities	**2,515**	4,658
Total Non-current Liabilities	**922,105**	809,982
Shareholders' Equity (Note 26)		
Founder's shares	**—**	—
Common shares	**64,134**	64,134
Paid-in surplus	**348,655**	347,499
Retained earnings	**1,187,268**	1,131,672
Other components of equity	**43,446**	(98,963)
	1,643,503	1,444,342
Less—Treasury stock	**(130,854)**	(131,307)
Equity Attributable to Equity Holders of SNSA	**1,512,649**	1,313,035
Non-controlling interests	**3,184**	3,066
Total Shareholders' equity	**1,515,833**	1,316,101
Total Liabilities and Shareholders' Equity	**$ 3,210,972**	$ 3,081,588

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

STOLT-NIELSEN S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER EQUITY

	Capital Stock	Paid-in Surplus	Treasury Stock	Retained Earnings	Foreign Currency Reserve (c)	Hedging Reserve (c)	Attributable to Equity Holders of SNSA	Non-Controlling Interests	Total
	(in thousands, except for share data)								
Balance, November 30, 2007	**$ 64,134**	**$ 345,868**	**$ (133,662)**	**$ 1,067,996**	**$ 26,716**	**$ (4,629)**	**$ 1,366,423**	**$ 3,327**	**$ 1,369,750**
Comprehensive income									
Net profit	—	—	—	177,679	—	—	177,679	(341)	177,338
Other comprehensive income (loss)									
Translation adjustments, net	—	—	—	—	(41,545)	—	(41,545)	—	(41,545)
Net actuarial loss on pension schemes	—	—	—	(24,448)	—	—	(24,448)	—	(24,448)
Net loss on cash flow hedges	—	—	—	—	—	(79,505)	(79,505)	—	(79,505)
Total other comprehensive income	—	—	—	(24,448)	(41,545)	(79,505)	(145,498)	—	(145,498)
Total comprehensive income	**—**	**—**	**—**	**153,231**	**(41,545)**	**(79,505)**	**32,181**	**(341)**	**31,840**
Transactions with shareholders									
Exercise of stock options for 80,722 Treasury shares	—	(1,245)	2,355	—	—	—	1,110	—	1,110
Share-based compensation	—	2,876	—	—	—	—	2,876	—	2,876
Cash dividends paid—$1.50 per Common share (a)	—	—	—	(89,405)	—	—	(89,405)	—	(89,405)
Cash dividends paid—$0.005 per Founder's shares (b)	—	—	—	(150)	—	—	(150)	—	(150)
Tank container's additional investment in subsidiaries	—	—	—	—	—	—	—	80	80
Total transactions with shareholders	**—**	**1,631**	**2,355**	**(89,555)**	**—**	**—**	**(85,569)**	**80**	**(85,489)**
Balance, November 30, 2008	**$ 64,134**	**$ 347,499**	**$ (131,307)**	**$ 1,131,672**	**$ (14,829)**	**$ (84,134)**	**$ 1,313,035**	**$ 3,066**	**$ 1,316,101**
Comprehensive income									
Net profit	—	—	—	95,233	—	—	95,233	293	95,526
Other comprehensive income (loss)									
Translation adjustments, net	—	—	—	—	55,009	—	55,009	—	55,009
Net actuarial loss on pension schemes	—	—	—	(9,737)	—	—	(9,737)	—	(9,737)
Net gain on cash flow hedges	—	—	—	—	—	87,400	87,400	—	87,400
Total other comprehensive income	—	—	—	(9,737)	55,009	87,400	132,672	—	132,672
Total comprehensive income	**—**	**—**	**—**	**85,496**	**55,009**	**87,400**	**227,905**	**293**	**228,198**
Transactions with shareholders									
Exercise of stock options for 15,503 Treasury shares	—	(337)	453	—	—	—	116	—	116
Share-based compensation	—	1,493	—	—	—	—	1,493	—	1,493
Dividends	—	—	—	—	—	—	—	(175)	(175)
Cash dividends paid—$0.50 per Common share (d)	—	—	—	(29,825)	—	—	(29,825)	—	(29,825)
Cash dividends paid—$0.005 per Founder's shares (e)	—	—	—	(75)	—	—	(75)	—	(75)
Total transactions with shareholders	**—**	**1,156**	**453**	**(29,900)**	**—**	**—**	**(28,291)**	**(175)**	**(28,466)**
Balance, November 30, 2009	**$ 64,134**	**$ 348,655**	**$ (130,854)**	**$ 1,187,268**	**$ 40,180**	**$ 3,266**	**$ 1,512,649**	**$ 3,184**	**$ 1,515,833**

(a) The $89.4 million is inclusive of the 2008 interim dividend of $29.8 million, 2007 final dividend of $29.8 million and the 2007 interim dividend of $29.8 million

(b) The $0.2 million is the 2008 interim dividend of $0.1 million and the 2007 interim dividend of $0.1 million

(c) Other components of equity on the balance sheet of $43.4 million at November 30, 2009 are composed of the Foreign currency reserve and the Hedging reserve.

(d) The $29.8 million is the 2009 interim dividend.

(e) The $0.1 million is for the 2009 interim dividend.

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

STOLT-NIELSEN S.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the years ended November 30,	
	2009	**2008**
	(in thousands)	
Cash generated from operations (Note 32)	**$ 276,243**	$ 202,298
Interest paid	**(50,869)**	(53,096)
Interest received	**6,643**	8,911
Income taxes paid	**(1,733)**	(13,189)
Net cash generated by operating activities	**230,284**	144,924
Cash flows from investing activities, net of effect of acquisitions and investments:		
Capital expenditures (Note 3)	**(249,323)**	(576,132)
Purchase of intangibles	**(3,218)**	(1,328)
Proceeds from sales of ships and other assets	**14,041**	29,605
Investment in joint ventures and associates (Note 16)	**(1,263)**	(31,135)
Repayments of (advances to) joint ventures and associates (Note 16)	**43,346**	(13,268)
Acquisition of Taby Group, net of cash acquired (Note 33)	—	(37,599)
Decrease in restricted cash deposits	—	4,524
Other, net	**568**	1,322
Net cash used in investing activities	**(195,849)**	(624,011)
Cash flows from financing activities:		
(Decrease) increase in short-term bank loans, net (Note 19)	**(122,362)**	213,921
Proceeds from issuance of long-term debt (Note 20)	**185,946**	386,429
Repayment of long-term debt (Note 20)	**(62,265)**	(46,194)
Principal payments under finance lease obligations (Note 20)	**(3,788)**	(370)
Debt issuance costs	**(2,098)**	(14,879)
Proceeds from exercise of share options	**116**	1,111
Dividends paid (Note 26)	**(29,892)**	(59,663)
Net cash (used in) provided by financing activities	**(34,343)**	480,355
Effect of exchange rate changes on cash	**4,110**	662
Net increase in cash and cash equivalents	**4,202**	1,930
Cash and cash equivalents at beginning of year	**34,257**	32,327
Cash and cash equivalents at end of year	**$ 38,459**	$ 34,257

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

1. The Group

Stolt-Nielsen S.A. (the "Company" or "SNSA"), a Luxembourg company, (the registered number of the company is R.C.S. Luxembourg B12.179), and its subsidiaries (collectively, the "Group") is engaged in the liquid transportation business 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 Holdings ("SSF"), and produces, processes and markets turbot, sturgeon, caviar and sole.

The Group has commenced its operations in the transportation of Liquefied Petroleum Gas ("LPG") through its division, Stolt-Nielsen Gas. On November 4, 2009, Stolt-Nielsen Gas entered into a three-year time charter of a Very Large Gas Carrier and on November 19, 2009 entered into a contract to purchase the LPG carrier *Althea Gas.*

The Group also has a start-up operation for the storage and distribution of bitumen.

On May 28, 2008, the Group voluntarily filed a Form 15-F with the United States Securities and Exchange Commission (the "SEC") to deregister and terminate its reporting obligations under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"). The deregistration became effective from August 31, 2008. Upon the Group's termination of its registration and reporting obligations to the SEC, the Group has maintained its listing in Norway on the Oslo Børs.

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

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

2. Significant Accounting Policies

Critical Accounting Estimates and Judgements

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. 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 International Financial Reporting Standards ("IFRS"). Critical accounting estimates and judgements are those that have a significant risk of causing material adjustment. Management believes the following critical accounting policies affect the more significant judgements and estimates used in the preparation of the Consolidated Financial Statements:

2. Significant Accounting Policies (Continued)

Critical Accounting Estimates and Judgements (Continued)

Description	Judgements and Uncertainties	Effect if Actual Results Differ From Assumptions
Voyage revenue and costs		
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. This recognition is 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 our estimates or assumptions, our revenues or costs may be over or under-stated. At November 30, 2009 and 2008, the accrued voyage expense account was \$61.3 million and \$61.7 million, respectively, in which \$29.5 million and \$23.8 million related to the deferral of revenues. Likewise, included in Prepaid expenses are \$29.4 million and \$38.4 million of prepaid invoices for voyages in progress applicable to periods subsequent to November 30, 2009 and 2008, respectively.

2. Significant Accounting Policies (Continued)

Critical Accounting Estimates and Judgements (Continued)

Description	Judgements and Uncertainties	Effect if Actual Results Differ From Assumptions
Depreciation and Residual Values		
The Group records the value of the ships at cost less accumulated depreciation and any impairment charges. The cost of the ships includes the contract price, pre-delivery costs incurred during the construction of newbuildings, capitalised interest and any material expenses incurred upon acquisition such as initial repairs, improvements and delivery expenses to prepare the ship for its initial voyage. Ships are depreciated on a straight-line basis over the ships' estimated useful lives, after reducing for the estimated residual values.	Depreciation is based on the cost of the different components of the ship less their residual value and the estimated useful life for similar ships in the industry. The key judgements and estimates involved are: • Estimated useful life of the components of the ship which range from an estimated 12.5 to 25 years. However, actual life of the components of a parcel tanker or barge may be different depending on many factors such as quality of maintenance and repair and the type of product carried by the ship or barge 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. We currently estimate residual value annually based upon the average steel price for the last three years and the estimated light displacement tonnage of the fleet.	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 our assets. See Note 15 for further details.

2. Significant Accounting Policies (Continued)

Critical Accounting Estimates and Judgements (Continued)

Description	Judgements and Uncertainties	Effect if Actual Results Differ From Assumptions
Impairment of Ships		
The Tanker fleet is reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the fleet may not be recoverable. Management measures the recoverability of an asset by comparing its carrying amount to the higher of its fair value less costs to sale or future discounted cash flows that the asset is expected to generate over its remaining useful life. If an asset is considered to be impaired, impairment is recognised in an amount equal to the excess of the carrying value of the asset over its recoverable value. The Tanker ships are tested for impairment on a fleet basis as that is the lowest level in which the cash flows are independent of other cash-generating units.	The carrying values of the ships in the Tanker fleet may not represent their fair market value at any point in time since the 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, estimates and assumptions regarding expected cash flows are made which require considerable judgement and are based upon existing contracts, historical experience, discount rates, financial forecasts and industry trends and conditions.	If actual results are not consistent with our estimates and assumptions used in estimating future cash flows and asset fair values while evaluating impairment, then the Group may be exposed to future losses that could be material. Impairment tests have been carried out in 2009. A projected 5% decrease in the deep sea tanker trading gross margins assumed in the discounted cash flow models used in the impairment testing would result in a decrease in the present value of the deep sea fleet of ships by approximately $172.9 million. The result is still higher than net book value and would not result in an impairment of our ships. An increase of 2% in the weighted average cost of capital used in the present value calculation would result in the decrease in present value of the deep sea fleet of ships by approximately $296.5 million which would not result in an impairment of our ships.

2. Significant Accounting Policies (Continued)

Critical Accounting Estimates and Judgements (Continued)

Description	Judgements and Uncertainties	Effect if Actual Results Differ From Assumptions
Investments in Joint Ventures and Associates		
The consolidated financial statements include the Group's accounts and all other entities in which the Group has a controlling financial interest, 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. Controlling financial interest in an entity is evaluated first by considering whether the entity is a special purpose entity ("SPE"), a joint venture or an associate under IFRS.	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, which interests create or absorb variability, 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. • Ability to make financing decisions. • Operating and capital budget approvals and contractual rights of other parties. The exercise of judgement on these areas determines whether a particular entity is consolidated or accounted for under the equity method.	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 our consolidated financial statements. For example, it is possible that an investment is accounted for as an joint venture or associate using the equity method despite having an ownership interest exceeding 50 percent 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.

2. Significant Accounting Policies (Continued)

Critical Accounting Estimates and Judgements (Continued)

Description	Judgements and Uncertainties	Effect if Actual Results Differ From Assumptions
Biological Assets		
All mature turbot weighing more than 300 grams and mature sturgeon weighing more than 3 kilos 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 based upon observed prices for harvested fish, reduced for harvesting costs and freight costs.	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 biomass. • Volume of mature biomass. • Average weight of mature biomass. • Estimated current mortality. • Future mortality during harvesting and quality of the fish. For Sturgeon, the gender of the fish and the quantity of the caviar produced is also uncertain.	The Group's net earnings can fluctuate due to the fair value adjustments on the biological assets at each balance sheet date. A small change in assumption, such as price, can have a significant change on the valuation. For example, based upon November 30, 2009 turbot volumes, a change in the price of $1 per kilo would have an impact on the turbot valuation of $4.3 million. See Note 13 for further details.
Goodwill Impairment Testing		
Goodwill is tested for impairment on an annual basis based upon the cash-generating unit for which the goodwill is assigned. The Group's goodwill relates to the Tank Container segment. The impairment test involves determining the recoverable amount of the Tank Container segment. The recoverable amount is based upon the higher of the segment's value in use or the segment's fair value less costs to sell. The Tank Container segment used the latter method and estimated the fair value by multiplying the segment's earnings before depreciation, amortization, interest and taxes ("EBITDA") by a multiple. The result of this calculation was $220 million higher than the net assets of the segment. The multiple chosen in estimating fair value for the impairment testing produced a conservative estimate based upon historical experience.	Significant judgement is required to determine the recoverable amount of the Tank Container segment. Judgement is required for the determination of the multiple and its impact on the estimated fair value.	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 unexpected losses being reflected in our consolidated financial statements. Based upon the 2009 EBITDA, the multiplier would have had to be reduced by approximately one-half in order for the segment's recoverable value to equal its carrying amount. See Note 17 for further details related to goodwill.

2. Significant Accounting Policies (Continued)

Critical Accounting Estimates and Judgements (Continued)

Description	Judgements and Uncertainties	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 19, "Employee Benefits," using a number of assumptions including the discount rate, the rate of compensation increases, retirement ages, mortality rates and expected long-term return on plan assets. These assumptions have a significant impact on the amounts reported. The Group's pension cost consists of service costs, interest costs, amortization of prior service costs or benefits, expected returns on plan assets and, in part, on a market-related valuation of assets. We also provide post-retirement benefits to eligible retired employees and their spouses. The post-retirement programme provides limited health care benefits. This plan is not funded.	Management considers a number of factors in developing the pension assumptions, including an evaluation of relevant discount rates, expected long-term returns on plan assets, 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 (decrease) in the discount rate assumption would result in a decrease (increase) in net periodic service cost component of $0.2 million. A 0.25% point increase (decrease) in the discount rate assumption for the defined benefit obligation would result in a decrease of $6.4 million and an increase of $6.7 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 2009 would be an approximate $1.4 million increase or an approximate $1.2 million decrease and the effect on the aggregate of the service cost and interest cost of the net periodic benefit cost for 2009 would be an approximate $0.1 million increase or 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 23 for further details.

2. Significant Accounting Policies (Continued)

The significant accounting policies used in the preparation of these consolidated financial statements are given below.

Basis of measurement

The consolidated financial statements are prepared on the historical cost basis except for derivative financial instruments 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 to sell.

Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. 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.

(ii) Associates

Associates are those entities over which the Group is in a position to exercise significant influence, but not control or joint control of the financial and operating policies. 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.

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.

(iii) Jointly controlled entities

Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement. The consolidated financial statements include the Group's share of the total comprehensive income of jointly controlled entities based on the equity method of accounting, from the date that joint control commences until the date that joint control ceases.

Operating Revenue

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

Revenue 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. 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.

2. Significant Accounting Policies (Continued)

The time charter expense is calculated based upon the combined operating revenue of the ships which participate in the Joint Service less combined 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 stage of completion of such services at the period end date, recognising 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.

(iii) Terminals

Revenue for terminal operations primarily consists of rental income for 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 invoiced 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.

(v) Finance Income

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

Expenses

(i) Operating expenses

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).

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).

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 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).

2. Significant Accounting Policies (Continued)

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 fertilization, 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, lower of cost or market provisions, mortality losses and fair value movements.

(ii) Leases

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.

(iii) 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.

Taxation

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, in which case it is recognised in equity.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current liabilities and 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, which are subject to an insignificant risk of changes in value.

Property, plant and equipment

(i) Recognition and measurement

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

2. Significant Accounting Policies (Continued)

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.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. 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 lease 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 lease.

The estimated useful lives are as follows:

Tankers and Terminals	**Years**
Parcel tankers and barges	20 to 30
Terminal tanks and structures	15 to 40
Other support equipment and other assets	3 to 45
Buildings	20 to 50
STC	
Tank containers	10 to 20
Buildings	40 to 50
Other operating equipment	3 to 10
SSF	
Transportation equipment	5 to 10
Operating equipment and other assets	2 to 14
Buildings	15 to 40

(iii) Subsequent costs – drydocking costs

Generally, ships drydock every five years. After a ship is fifteen 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.

(iv) 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.

2. Significant Accounting Policies (Continued)

Goodwill and intangible assets

Goodwill represents amounts arising on the acquisition of subsidiaries, associates and jointly controlled entities. 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 jointly controlled entities, the carrying amount of goodwill is included in the carrying amount of the investment in the associate or joint venture.

Negative goodwill arising on an acquisition is recognised in the income statement in the period in which the acquisition is completed.

Other finite life intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Amortisation for finite-lived intangibles is charged to the income statement under Operating Expenses on a straight-line basis over the estimated useful lives of the intangible assets. The trademark intangible is being amortised over a 10-year life while the customer relations intangible is amortised over 5 years and computer software is amortised over an average life of 3 to 5 years.

Impairment of tangible and intangible assets

The carrying amounts of the Group's tangible and 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. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. 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 to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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.

Inventories other than biological assets

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.

2. Significant Accounting Policies (Continued)

Biological assets

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

(i) Turbot

Turbot is considered as 'mature' when it weighs more than 300 grams while juvenile turbot weighs less than 300 grams. All mature turbot 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 market prices.

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

- There is no active market for juvenile turbot.
- 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 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 would be highly 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 is considered to mature, which typically occurs when the fish reaches the specified weight of 300 grams. 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 the higher of cost less provision for impairment or 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.

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.

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.

Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

(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.

2. Significant Accounting Policies (Continued)

The liability discount rate 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.

When the benefits of a plan are increased, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

All actuarial gains and losses as at December 1, 2006, the date of transition to IFRS, were recognised. In respect of actuarial gains and losses that arise subsequent to this date, the Group recognises them directly in equity in the period in which they occur through the statement of comprehensive income.

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.

(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.

(iv) Share-based payments

The fair value at the grant date of options granted to employees is recognised as an employee expense, with a corresponding increase in equity over the vesting period. The fair value of the options granted is measured using the Black-Scholes-Merton option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

Provisions

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 and are discounted to present value where the effect is material.

Non-current assets held for sale and discontinued operations

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

On initial classification as held for sale and in subsequent reporting periods, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to the income statement.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale.

Discontinued operations are presented on the income statement (including the comparative period) in a single line which comprises the post tax profit or loss of the discontinued operation and the post tax gain or loss recognised on the re-measurement to fair value less costs to sell or on disposal of the assets/disposal groups constituting discontinued operations.

2. Significant Accounting Policies (Continued)

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. 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.

Exchange differences arising from the translation of foreign operations subsequent to December 1, 2006 (the date of adoption of IFRS), and of related qualifying hedges are taken directly to the foreign currency reserve. Cumulative translation adjustments before that date were recognised in equity. Such translation differences are recognised in the income statement upon disposal of the foreign operation.

Derivative financial instruments and hedging

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 depends on the nature of the item being hedged. The impact in the income statement is shown in interest, foreign currency exchange gain 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 Group 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. 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 equity. Any ineffective portion of the hedge is recognised immediately in the income statement.

2. Significant Accounting Policies (Continued)

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 equity 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.

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.

Earnings per Common Share

Basic Earnings per Common Share ("EPS") is computed by dividing net income 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 26, "Capital Stock, Founder's 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.

Business combinations

Business combinations are accounted for using the purchase accounting method. This involves recognising identifiable assets (including previously unrecognised intangible assets) and liabilities (including contingent liabilities and excluding future restructuring) of the acquired business at fair value. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their fair values at the acquisition date. Any non-controlling interest in the acquiree is initially measured at the interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised. Acquisitions from non-controlling interests are considered transactions with shareholders and decreases or increases between the cost and the net value are recorded directly in shareholders' equity.

2. Significant Accounting Policies (Continued)

IFRSs issued but not effective as of November 30, 2009

The Group early adopted IAS 1, Presentation of Financial Statements – A Revised Presentation for the year ended November 30, 2009. The changes promulgated in the standard required information in the financial statements to be aggregated on the basis of shared characteristics and to introduce the statement of comprehensive income.

The following new or amendments to standards and interpretations have been issued and become effective in 2010 and beyond but will have no material impact on the financial statements of the Group:

- IAS 23 (Amendment), Borrowing Costs, effective from January 1, 2009
- IAS 32 (Amendment), Financial Instruments: Presentation, effective January 1, 2009 and Amendments, effective February 1, 2010
- IFRS 2 (Amendment), Share-based Payment, effective January 1, 2009 and January 1, 2010
- IFRIC 15, Agreement for Construction of Real Estate, effective from January 1, 2009
- IFRIC 16, Hedges of a Net Investment in a Foreign Operation, effective July 1, 2009
- IFRIC 17, Distributions of Non-cash Assets to Owners, effective from July 1, 2009
- IFRIC 18, Transfer of Assets from Customers, effective from July 1, 2009
- IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments, effective July 1, 2010
- IFRS Improvements to IFRSs, effective dates vary, but primarily from January 1, 2009
- IFRS Improvements to IFRSs (April 2009), dates vary, but primarily from January 1, 2010
- IFRS 1 and IAS 27 Amendments, Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate, effective January 1, 2009
- IAS 32 and IAS 1 Amendments, Puttable Financial Instruments and Obligations Arising on Liquidations, effective January 1, 2009
- IAS 39 Amendments, Eligible Hedged Items, effective July 1, 2009
- IFRS 7 (Amendment), Improving Disclosures about Financial Instruments, effective January 1, 2009
- IFRIC 9 and IAS 39 (Amendments) Regarding Embedded Derivatives, effective July 1, 2008
- IFRIC 9 and IAS 39, Embedded Derivatives, effective June 30, 2009
- IFRS 9, Financial Instruments, effective January 1, 2013
- IFRS 1 (revised), First Time Adoption, effective July 1, 2009 and additional exemptions effective January 1, 2010
- IAS 39, Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures Amendments, effective July 1, 2008
- IAS 24 (Amendment), Related Party Disclosures, effective January 1, 2011
- IFRS 3 (revised), Business Combinations and IAS 27 (revised), Consolidated and Separate Financial Statements, effective June, 30, 2009

3. Business and Geographic Segment Information

The Group has four principal operating and reportable segments, which are Tankers, Tank Containers, Terminals and Sea Farm. The nature of these segments is described in Note 1. These operating segments were determined based on the nature of the products and services offered. Operating 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 Group's Chief Executive Officer has been identified as the chief operating decision maker. The Group's chief operating decision maker directs the allocation of resources to operating segments based on the operating profit (loss) and cash flows of each respective segment.

3. Business and Geographic Segment Information (Continued)

The "Corporate and Other" category includes 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. thousands dollars, for each reportable segment and the underlying operating segments:

For the year ended November 30, 2009	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Corporate and Other	Total
Operating revenue	$ 1,035,147	$ 118,822	$ 429,867	$ 48,060	$ 13,239	$ 1,645,135
Depreciation and amortization including drydocking	(96,659)	(14,416)	(18,590)	(3,526)	(3,489)	(136,680)
Share of profit of joint ventures and associates	9,853	9,764	131	—	—	19,748
Operating profit (loss)	24,765	49,970	54,246	4,530	(11,095)	122,416
Finance expense						(30,659)
Finance income						5,347
Profit before income tax						104,993
Income tax expense						(9,467)
Net profit						95,526
Balance Sheet						
Capital expenditures *	234,809	29,470	5,606	4,900	6,102	280,887
Investments in and advances to joint ventures and associates	140,790	163,105	2,200	—	—	306,095
Intangible assets, net	—	147	28,736	487	5,451	34,821
Segment assets	2,222,868	498,273	290,007	80,397	119,427	3,210,972

For the year ended November 30, 2008	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Corporate and Other	Total
Operating revenue	$ 1,337,815	$ 116,478	$ 468,866	$ 69,724	$ 4,744	$ 1,997,627
Depreciation and amortization including drydocking	(88,857)	(13,294)	(13,586)	(3,485)	(3,999)	(123,221)
Share of profit of joint ventures And associates	14,854	6,044	307	—	—	21,205
Operating profit (loss)	134,027	35,318	50,189	7,713	(24,797)	202,450
Finance expense						(30,922)
Finance income						7,981
Profit before income tax						183,348
Income tax expense						(6,010)
Net profit						177,338
Balance Sheet						
Capital expenditures *	517,862	41,353	53,668	7,586	27,717	648,186
Investments in and advances to joint ventures and associates	122,259	180,421	1,797	—	—	304,477
Intangible assets, net	—	—	26,082	434	3,179	29,695
Segment assets	2,117,293	462,104	314,658	75,400	112,133	3,081,588

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

3. Business and Geographic Segment Information (Continued)

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. Stolt Bitumen and Stolt-Nielsen Gas did not have any significant operating activity during 2009. 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.

	For the years ended November 30,	
	2009	**2008**
	(in thousands)	
Operating Revenue:		
Tankers:		
U.S.	**$ 391,455**	$ 451,224
South America	**67,790**	90,561
Netherlands	**79,357**	118,075
Other Europe	**153,014**	218,984
Malaysia	**82,721**	114,522
Other Asia	**95,081**	179,455
Middle East	**100,787**	87,483
Africa	**62,777**	71,263
Other	**2,165**	6,248
	$ 1,035,147	$ 1,337,815
Terminals:		
U.S.	**$ 95,238**	$ 95,793
Brazil	**23,584**	20,685
	$ 118,822	$ 116,478
Tank Containers:		
U.S.	**$ 105,215**	$ 133,790
South America	**18,815**	14,529
France	**34,488**	41,656
Germany	**34,713**	10,184
Other Europe	**71,445**	98,372
Japan	**23,206**	18,483
China	**47,635**	75,042
Other Asia	**69,196**	49,884
Middle East	**19,359**	20,082
Other	**5,795**	6,844
	$ 429,867	$ 468,866
Stolt Sea Farm:		
U.S.	**$ 4,761**	$ 7,125
United Kingdom	**995**	1,703
Norway	**626**	687
Spain	**22,745**	36,515
France	**6,530**	7,015
Italy	**9,217**	10,126
Other Europe	**2,962**	6,319
Other	**224**	234
	$ 48,060	$ 69,724

3. Business and Geographic Segment Information (Continued)

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, 2009 and 2008.

The following table sets out non-current assets excluding long-term restricted cash deposits, 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 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 long-lived assets for tankers amounted to $2,093 million and $1,938 million, and for tank containers amounted to $226 million and $205 million as of November 30, 2009 and 2008, respectively.

	As of November 30,	
	2009	**2008**
	(in thousands)	
Non-current Assets:		
Terminals:		
U.S.	**$ 207,495**	$ 196,572
Brazil	**82,850**	60,136
Korea	**23,435**	16,862
Europe	**97,213**	120,897
China	**37,693**	38,748
Other	**6,304**	4,711
	$ 454,990	$ 437,926
Stolt Sea Farm:		
U.S.	**$ 2,971**	$ 2,688
Norway	**1,136**	1,146
Portugal	**1,128**	648
Spain	**18,108**	18,312
France	**8,915**	3,162
	$ 32,258	$ 25,956

4. Operating Revenue

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

	For the years ended November 30,	
	2009	**2008**
	(in thousands)	
Revenue from the rendering of services	**$ 1,597,075**	$ 1,927,903
Revenue from the sale of goods	**48,060**	69,724
	$ 1,645,135	$ 1,997,627

5. Expenses

Operating expenses were comprised of the following:

	For the years ended November 30,	
	2009	**2008**
	(in thousands)	
Bunker fuel costs, including hedging results	**$ 273,261**	$ 390,228
Charter and lease expenses	**238,791**	287,266
Ocean and inland freight	**149,934**	184,913
Employee benefit expenses	**114,254**	120,531
Port charges	**110,857**	139,955
Depreciation and amortization	**136,680**	123,221
Maintenance and repairs	**49,127**	48,694
Biological assets recognised in operating expense *	**30,572**	34,178
Sublet expenses	**23,544**	32,593
Commissions	**21,365**	26,277
Repositioning of tank containers	**18,552**	21,350
Tank container ancillary billable costs	**20,155**	21,889
Cleaning costs	**22,062**	25,039
Ship supplies and provisions	**14,625**	14,401
Storage and other tank container move related costs	**25,077**	24,174
Biological assets market valuation adjustment	**565**	11,471
Foreign exchange loss (gain)	**2,050**	(3,324)
Voyage costs	**18,201**	15,416
Insurance	**15,633**	17,280
Rail expenses	**13,583**	14,723
Other expenses	**70,579**	81,115
Total operating expenses	**$ 1,369,467**	$ 1,631,390

* Including $11.5 million and $11.6 million of employee benefit expenses for the years ended November 30, 2009 and 2008, respectively.

An analysis of administrative and general expenses is as follows:

	For the years ended November 30,	
	2009	**2008**
	(in thousands)	
Employee benefit expenses	**$ 121,731**	$ 135,566
Legal fees	**8,525**	15,866
Other professional fees	**6,838**	9,849
Office expenses	**5,337**	5,806
Office lease expenses	**5,987**	5,276
Travel and entertainment expenses	**5,952**	9,137
Information systems	**9,713**	10,791
Communication expenses	**2,677**	3,131
Investors relations and publicity	**1,023**	969
Lawsuit settlement	**1,375**	625
Other	**3,435**	2,017
Total administrative and general expenses	**$ 172,593**	$ 199,033

5. Expenses (Continued)

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

	For the years ended November 30,	
	2009	2008
	(in thousands, except employee data)	
Salaries	$ **170,793**	$ 176,464
Profit sharing and long-term incentive programmes	**9,458**	18,804
Social security expenses	**13,636**	12,994
Share-based benefits	**1,493**	2,876
Pension expenses defined benefit plans and post retirement benefit plan (Note 23)	**5,188**	6,454
Pension expenses defined contribution plans (Note 23)	**7,697**	8,301
Insurance	**9,732**	11,855
Travel and relocation	**8,144**	9,183
Temporary and contract employees	**2,790**	5,401
Training	**7,228**	6,605
Expatriate expenses	**3,602**	2,539
Other benefits	**7,687**	6,266
Total employee benefit expenses	$ **247,448**	$ 267,742
Average number of employees:		
Tankers *	**3,759**	4,118
Tank Containers	**545**	488
Terminals	**302**	320
Sea Farm	**274**	269
Other	**54**	52
Total average number of employees	**4,934**	5,247

* 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,	
	2009	2008
	(in thousands)	
Fees payable to the Group auditor for the audit of the consolidated and stand alone accounts	$ **2,262**	$ 2,662
Fees payable to the Group auditor and associates for other services as detailed below	**546**	199
Total fees	$ **2,808**	$ 2,861
Tax services	**135**	41
Quarterly reviews	**300**	100
Other	**111**	58
Total non audit fees	$ **546**	$ 199

The audit and non audit fees relate to PricewaterhouseCoopers.

7. Gain on Disposal of Assets

Gain on disposal of assets, net is comprised of the following:

	For the years ended November 30,	
	2009	2008
	(in thousands)	
(Loss) gain on the sale of tankers	**$ (476)**	$ 13,593
Gain on sale of tank containers	**462**	150
Gain on sale of other assets	**453**	41
	$ 439	$ 13,784

During 2009, Tankers recorded a net loss of $0.5 million from the recycling of *Stolt Excellence, Stolt Eagle, Stolt Condor, Stolt Loyalty* and *Stolt Sincerity*. During 2008, Tankers recorded a net gain of $13.6 million from the recycling of *Stolt Hawk, Stolt Heron, Stolt Tenacity, Stolt Osprey, Stolt Guardian* and sale of *Stolt Frigate.*

8. Finance Expenses and Income

	For the years ended November 30,	
	2009	2008
	(in thousands)	
Finance expense		
Interest on loans	**$ 46,818**	$ 49,690
Interest on commitments	**3,956**	1,831
Interest on obligations under finance leases	**168**	81
Hedge loss on interest rate hedges (Note 30)	**7,407**	3,340
Interest to joint ventures	**—**	203
Other interest expense	**264**	1,895
Total interest expense	**58,613**	57,040
Less interest capitalised to property, plant and equipment	**(27,954)**	(26,118)
	$ 30,659	$ 30,922
Finance income		
Interest from joint ventures (Note 14)	**$ 2,887**	$ 5,107
Interest on tax refunds	**1,333**	1,452
Bank deposits	**724**	865
Time deposits	**143**	232
Other	**260**	325
	$ 5,347	$ 7,981

The average interest rate used to capitalise the interest to property, plant and equipment was 4.64% and 5.75% for 2009 and 2008, respectively.

9. Income Taxes

The following tables present the components of the income tax expense for the years ended November 30, 2009 and 2008:

	For the years ended November 30,	
	2009	2008
	(in thousands)	
Current income tax expense	**$ 8,783**	$ 13,155
Adjustments in respect of prior years	**(1,065)**	(9,492)
	7,718	3,663
Deferred income tax expense	**6,995**	1,583
Adjustments in respect of prior years	**(5,246)**	764
	1,749	2,347
Total income tax expense	**$ 9,467**	$ 6,010

9. Income Taxes (Continued)

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

	For the years ended November 30, 2009	2008
	(in thousands)	
Profit from continuing operations before income tax expense	**$ 104,993**	$ 183,348
Tax at the Luxembourg statutory tax rate	**$ 31,109**	$ 54,326
Differences between Luxembourg and other tax rates	**1,632**	940
Income not subject to income tax	**(15,592)**	(41,451)
Changes in the recognition of tax losses	**(1,541)**	(92)
Adjustments in respect of prior years	**(6,311)**	(8,728)
Other differences, net	**170**	1,015
Total income tax expense	**$ 9,467**	$ 6,010

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 dead weight tonnage of the ships in the fleet rather than on the operating profits of the business. Based on the calculation, the Group incurred tax of $0.6 million in both of the years ended November 30, 2009 and 2008.

The Company is a holding company under the law of July 31, 1929 of Luxembourg eligible for taxation under the decree of December 17, 1938, which includes an exemption from Luxembourg income taxes.

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

	Accelerated tax depreciation	Retirement benefit obligations	Tax losses	Other	Total
			(in thousands)		
Balance, December 1, 2007	**$ (39,465)**	**$ 4,655**	**$ 32,035**	**$ 2,148**	**$ (627)**
(Charge) credit to income	(1,699)	—	(2,507)	1,859	(2,347)
Charge to equity	—	10,525	—	—	10,525
Acquisition of subsidiary	(7,098)	—	—	(120)	(7,218)
Exchange differences	926	—	—	331	1,257
Balance, November 30, 2008	**(47,336)**	**15,180**	**29,528**	**4,218**	**1,590**
(Charge) credit to income	(2,665)	—	(4,536)	5,452	(1,749)
Charge to equity	—	4,914	—	(1)	4,913
Transfer from current tax	6,091	—	—	(357)	5,734
Exchange differences	(753)	(366)	(456)	(667)	(2,242)
Balance, November 30, 2009	**$ (44,663)**	**$ 19,728**	**$ 24,536**	**$ 8,645**	**$ 8,246**

9. Income Taxes (Continued)

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, 2009	As of November 30, 2008
	(in thousands)	
Deferred tax liabilities	**$ (7,017)**	$ (7,721)
Deferred tax assets	**15,263**	9,311
	$ 8,246	$ 1,590

As of November 30, 2009 and 2008, the Group has unused tax losses of $73.8 million and $91.3 million, respectively, available for offset against future profits. A deferred tax asset has been recognised in respect of all such losses as of November 30, 2009 ($85.9 million of such losses as of November 30, 2008). No deferred tax asset was recognised in respect of the remaining $5.4 million of unused tax losses due to the unpredictability of future profit streams as of November 30, 2008.

Deferred income tax liabilities of $32.4 million at November 30, 2009 (2008: $26.7 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 $1.2 billion at November 30, 2009 (2008: $1.2 billion).

10. Cash and cash equivalents

	As of November 30, 2009	As of November 30, 2008
	(in thousands)	
Cash and cash equivalents	**$ 38,459**	$ 34,257

Cash and cash equivalents comprise cash and short-term time deposits held by the Group. In addition, at November 30, 2008, the Group had placed cash collateral with certain counterparties for bunker hedge losses of $23.4 million. No cash was placed as collateral at November 30, 2009.

11. Receivables

	As of November 30, 2009	As of November 30, 2008
	(in thousands)	
Customer receivables	**$ 144,431**	$ 180,452
Accrued revenue	**9,440**	10,817
Insurance	**1,669**	765
Taby escrow receivable (see Note 33)	**779**	2,202
Withholding and value added tax receivable	**1,408**	1,782
Allowance for doubtful accounts	**(12,428)**	(13,410)
Other	**2,327**	2,677
	$ 147,626	$ 185,285

See Note 31 for analysis of credit risk of receivables.

12. Inventories

Inventories as of November 30, 2009 and 2008 consisted of the following:

November 30, 2009	Tank Containers	SSF	Total
	(in thousands)		
Raw materials	**$ 226**	**$ 359**	**$ 585**
Consumables	**1,217**	**—**	**1,217**
Seafood finished goods	**—**	**5,699**	**5,699**
	$ 1,443	**$ 6,058**	**$ 7,501**

November 30, 2008	Tank Containers	SSF	Total
	(in thousands)		
Raw materials	$ 109	$ 257	$ 366
Consumables	1,415	—	1,415
Seafood finished goods	—	6,322	6,322
	$ 1,524	$ 6,579	$ 8,103

The cost of inventory included in Operating expenses in 2009 and 2008 was $30.6 million and $34.2 million, respectively.

13. Biological Assets

	As of November 30, 2009	As of November 30, 2008
	(in thousands)	
Turbot	**$ 26,464**	$ 20,148
Sturgeon	**3,962**	5,664
	$ 30,426	$ 25,812

Biological assets are the work in process: live turbot, sturgeons and soles in the process of production. The biological assets are transferred to inventory after being processed.

Reconciliation of changes in book value of Turbot

	As of November 30, 2009	As of November 30, 2008
	(in thousands)	
Balance at December 1,	**$ 20,148**	$ 33,347
Increases due to production and purchases	**27,341**	28,277
Loss from change in fair value	**(1,136)**	(10,614)
Effect of changes in foreign currency rates	**4,263**	(3,402)
Decreases due to mortalities	**(87)**	(299)
Transfer to inventory	**(24,065)**	(27,161)
Balance at November 30,	**$ 26,464**	$ 20,148

13. Biological Assets (Continued)

Reconciliation of changes in book value of Sturgeon

	As of November 30, 2009	2008
	(in thousands)	
Balance at December 1,	**$ 5,664**	$ 6,631
Increases due to production and purchases	**2,631**	7,040
Gain (loss) from change in fair value	**571**	(857)
Decreases due to mortalities	**(1,133)**	(987)
Transfer to inventory	**(3,771)**	(6,163)
Balance at November 30,	**$ 3,962**	$ 5,664

Fair value adjustments on biological assets in the balance sheet

	As of November 30, 2009	2008
	(in thousands)	
Work in process, turbot	**$ 2,967**	$ 4,102
Work in process, sturgeon	**827**	174
Total fair value adjustment included in book value in the balance sheet	**$ 3,794**	$ 4,276

Fair value adjustments on biological assets in the income statement

	As of November 30, 2009	2008
	(in thousands)	
Work in process, turbot	**$ (1,136)**	$ (10,614)
Work in process, sturgeon	**571**	(857)
Total fair value adjustment recognised in the income statement	**$ (565)**	$ (11,471)

	As of November 30, 2009	2008
	(in thousands)	
Volumes of biomass (in tons)		
Volume of biomass harvested during the year (live weight)	**4,076**	4,391
Volume of biomass in the water at year-end (live weight)	**3,493**	3,317

	As of November 30, 2009	2008
	(in thousands)	
Value of Biological assets at cost:		
Turbot	**$ 2,771**	$ 1,916
Sturgeon	**177**	249

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, 2009 and 2008.

14. Related Party Transactions

The Group is ultimately controlled by trusts for the benefit of the Stolt-Nielsen family.

Chairman Transactions

During the years ended November 30, 2009 and 2008, the Group's former chairman Jacob Stolt-Nielsen contracted certain ship management and other services from the Group totaling nil for 2009 and $0.1 million for 2008. He repaid nil and $0.1 million in 2009 and 2008, respectively, leaving a balance payable to the Group of nil as of both November 30, 2009 and 2008. The maximum amount outstanding from Mr. Jacob Stolt-Nielsen during the year was nil and $0.1 million for 2009 and 2008, respectively. Also, in 2008, Mr. Jacob Stolt-Nielsen was paid $15.6 million in full settlement of the Group's pension obligation to him in line with the actuarial valuations of his future benefits.

Employee and Officer Loans and Advances

Included in "Other current assets" are loans and advances to employees and officers of the Group of $0.4 million and $0.3 million as of November 30, 2009 and 2008, respectively. In addition, included in "Other assets" are loans and advances to employees and officers of the Group of $0.3 million as of both November 30, 2009 and 2008. 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 and $0.4 million were interest bearing, with interest rates ranging from 2.6% to 10.0% as of November 30, 2009 and November 30, 2008. Interest received was less than $0.1 million for both 2009 and 2008.

	For the years ended November 30,			
		2009		**2008**
Board of Directors and Key Management Compensation	(in thousands)			
Board fees	**$**	**370**	$	540
Salary and benefits		**4,586**		5,275
Profit sharing		**504**		1,691
Long-term incentives		**752**		1,002
Pension cost		**359**		2,555
Consulting contracts		**350**		1,339
Total compensation and benefits	**$**	**6,921**	$	12,402
Average number of key managers included		**6**		6

At the end of 2009 the Board of Directors consists of 6 members.

Transactions with Joint Ventures

The balance sheet data for the joint ventures in Note 16 includes the following items related to transactions with the Group:

	As of November 30,			
		2009		**2008**
	(in thousands)			
Amounts due from the Group	**$**	**3,079**	$	6,448
Amounts due to the Group		**50,180**		92,174

Included within Amounts due to the Group is $7.7 million and $8.7 million as of November 30, 2009 and 2008, respectively, for trade receivables from joint ventures. 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. of $39.0 million bears interest at six-month Libor plus 1%. Interest on the long-term advances to Oiltanking Stolthaven Antwerp, NV of $46.3 million ranged from 2.89% to 6.58%. This Oiltanking long-term advance was repaid in April 2009. Interest received in cash in 2009 and 2008 was $3.3 million and $5.1 million, respectively. See Note 16 for related party income statement transactions with joint ventures.

15. Property, Plant and Equipment

	Land	Buildings	Ships and Barges	Tank Containers	Plant and Equipment	Leasehold Improvements	Construction In Process	Total
Cost					(In thousands)			
Balance at December 1, 2007	**$ 19,275**	**$ 54,007**	**$ 2,149,384**	**$ 223,453**	**$ 375,749**	**$ 8,647**	**$ 330,180**	**$ 3,160,695**
Additions	811	761	76,228	1,245	9,262	1,897	507,223	597,427
Disposals	—	(875)	(142,553)	(164)	(4,447)	(582)	—	(148,621)
Net foreign exchange differences	(205)	(3,420)	(10,437)	1,124	(5,092)	(389)	(398)	(18,817)
Transfer to assets held for sale	—	—	(44,402)	—	—	—	—	(44,402)
Recording finance lease	—	—	—	—	1,016	—	—	1,016
Acquisition of Taby Group (Note 33)	—	—	—	39,137	—	—	—	39,137
Unrecognised gain on cash flow hedge	—	—	(2,563)	—	—	—	—	(2,563)
Transfers	—	68	179,137	—	10,474	—	(189,679)	—
Other	—	(1)	16	—	84	(20)	(1,561)	(1,482)
Balance at November 30, 2008	**$ 19,881**	**$ 50,540**	**$ 2,204,810**	**$ 264,795**	**$ 387,046**	**$ 9,553**	**$ 645,765**	**$ 3,582,390**
Additions	78	1,990	22,342	1,783	3,150	476	247,163	276,982
Disposals	(54)	(503)	(113,879)	(730)	(5,699)	(190)	—	(121,055)
Net foreign exchange differences	2,775	6,440	12,100	2,374	31,916	319	4,995	60,919
Recording finance lease	—	—	—	860	—	—	—	860
Transfers	—	9,812	207,431	(1,148)	45,645	—	(261,740)	—
Other	(24)	174	219	1	(1,136)	113	(203)	(856)
Balance at November 30, 2009	**$ 22,656**	**$ 68,453**	**$ 2,333,023**	**$ 267,935**	**$ 460,922**	**$ 10,271**	**$ 635,980**	**$ 3,799,240**

	Land	Buildings	Ships and Barges	Tank Containers	Plant and Equipment	Leasehold Improvements	Construction In Process	Total
Accumulated depreciation and impairment					(in thousands)			
Balance at December 1, 2007	$ —	$ **16,728**	$ **1,065,457**	$ **63,362**	$ **155,133**	$ **4,625**	$ —	$ **1,305,305**
Depreciation expense	—	1,779	88,417	11,973	18,829	841	—	121,839
Disposals	—	(857)	(126,426)	(84)	(4,418)	(570)	—	(132,355)
Transfer to asset held for sale	—	—	(40,432)	—	—	—	—	(40,432)
Net foreign exchange difference	—	(1,175)	(6,111)	(44)	(3,757)	(204)	—	(11,291)
Other	—	(31)	(206)	(104)	(278)	(10)	—	(629)
Balance at November 30, 2008	—	**16,444**	**980,699**	**75,103**	**165,509**	**4,682**	—	**1,242,437**
Depreciation expense	—	2,140	96,192	15,398	19,314	922	—	133,966
Disposals	—	(162)	(104,830)	(355)	(3,298)	(163)	—	(108,808)
Transfers	—	(2,632)	—	(1,562)	4,194	—	—	—
Net foreign exchange difference	—	1,953	6,749	—	14,259	247	—	23,208
Other	—	74	157	(1)	(458)	9	—	(219)
Balance at November 30, 2009	—	**17,817**	**978,967**	**88,583**	**199,520**	**5,697**	—	**1,290,584**
Property, plant and equipment, net at November 30, 2009	**$ 22,656**	**$ 50,636**	**$ 1,354,056**	**$ 179,352**	**$ 261,402**	**$ 4,574**	**$ 635,980**	**$ 2,508,656**

15. Property, Plant and Equipment (Continued)

The net book value of assets under finance leases was $19.0 million and $19.6 million at November 30, 2009 and 2008, respectively. Assets under finance leases consist of tank containers, rail cars and computer equipment included in plant and equipment.

Certain property, plant and equipment have been pledged as security on loans. See Note 20 for additional details.

Tanker assets with a net book value of $4.0 million were transferred to Assets held for sale at the end of 2008. These represent the *Stolt Loyalty* which was recycled in January 2009 and the *Stolt Oslo* which was sold in December 2008. At November 30, 2009 and November 30, 2008, land at Perth Amboy was recorded as Assets held for sale within the Terminal segment.

See Note 2 under Critical Accounting Policies for discussion of impairment testing.

16. Investments in and Advances to Joint Ventures and Associates

Investments in and advances to joint ventures and associates consisted of the following:

	Geographic Location	2009 Ownership %	As of November 30, 2009	As of November 30, 2008
			(in thousands)	
Joint Ventures:				
Tankers:				
NYK Stolt Tankers S.A.	Japan	50	**$ 48,665**	$ 46,999
Stolt NYK Asia Pacific Inc	Singapore	50	**28,647**	24,458
Shanghai Sinochem—Stolt Shipping Ltd	China	49	**38,900**	36,688
Gulf Stolt Tankers FZCO	Dubai	50	**680**	—
Gulf Stolt Ship Management JLT	Dubai	50	—	—
NYK Stolt Shipholding Inc	Singapore	50	**22,479**	12,891
SIA LAPA Ltd	Latvia	49	**989**	939
Shanghai New Ying Yang Marine Services Co. Ltd	China	40	**100**	121
			140,460	122,096
Terminals:				
Oiltanking Stolthaven Antwerp, NV	Belgium	50	**97,213**	120,897
Jeong-IL Stolthaven Ulsan Co. Ltd	South Korea	50	**23,435**	16,862
Stolthaven (Westport) Sdn. Bhd.	Malaysia	49	**4,764**	3,914
Stolthaven Ningbo Co Ltd	China	50	**6,869**	7,548
Tianjin Lingang Stolthaven Terminal Co.	China	65 *	**20,505**	21,689
Tianjin Lingang Stolthaven Jetty Company	China	40	**10,321**	9,511
			163,107	180,421
Tank Containers:				
Hyop Woon Stolt Transportation Services Co. Ltd	South Korea	50	**969**	837
Laem Chabang Tank Service Co. Ltd.	Thailand	49	**240**	—
Stolt PTC Bitubulk Pte. Ltd.	Singapore	50	**65**	71
			1,274	908
Subtotal			**304,841**	303,425
Associates:				
Stoltchem Ship Management (Shanghai) Ltd	China	49	**328**	163
N.C. Stolt Transportation Services Co. Ltd	Japan	50	**657**	599
N.C. Stolt Chuyko Transportation Services Co. Ltd	Japan	35	**269**	290
Subtotal			**1,254**	1,052
			$ 306,095	$ 304,477

* Considered to be a joint venture as all significant decisions are made unanimously.

16. Investments in and Advances to Joint Ventures and Associates (Continued)

	Joint Ventures	Associates	Total
		(in thousands)	
Balance, December 1, 2007	**$ 262,034**	**$ 877**	**$ 262,911**
Share of profit of joint venture and associates	21,006	199	21,205
Dividends	(755)	—	(755)
Contributions	31,135	—	31,135
Net foreign exchange differences	(25,170)	(24)	(25,194)
Advances to joint ventures	13,268	—	13,268
Interest capitalised to notes	1,934	—	1,934
Other	(27)	—	(27)
Balance, November 30, 2008	**$ 303,425**	**$ 1,052**	**$ 304,477**
Share of profit of joint venture and associates	19,570	178	19,748
Dividends	(1,010)	—	(1,010)
Contributions	1,263	—	1,263
Net foreign exchange differences	21,238	24	21,262
Repayments from joint ventures, net of advances	(43,346)	—	(43,346)
Change in market value of foreign exchange contract	4,331	—	4,331
Interest capitalised to notes	1,733	—	1,733
Interest received on notes	(1,464)	—	(1,464)
Other	(899)	—	(899)
Balance, November 30, 2009	**$ 304,841**	**$ 1,254**	**$ 306,095**

On June 16, 2008, the Group entered into two joint ventures with Gulf Navigation PJSC ("Gulf Navigation"). The first joint venture, Gulf Stolt Tankers FZCO ("Gulf Stolt Tankers"), will operate six new 44,000 dead weight ton ("dwt") coated chemical tankers, depending on whether all are delivered from SLS Shipbuilding in South Korea ("SLS"). The ships will be traded in the Stolt Tankers Joint Service. Technical ship management will be provided by a second joint venture, Gulf Stolt Ship Management JLT.

Four of the six new ships are scheduled to be delivered to the Group from SLS during 2010 and the intention is to sell all four subsequently to Gulf Stolt Tankers subject to agreement with Gulf Navigation. Gulf Navigation may take delivery of two additional sister ships; if so, the intention is for these two ships then owned by Gulf Navigation to be bareboat chartered to Gulf Stolt Tankers. See further discussion in Note 24.

On March 16, 2009 Gulf Stolt Tankers entered into a $134.8 million secured term loan agreement with Deutsche Bank AG, Nordea Bank Norge ASA and Fokus Bank. The facility was intended to finance up to 70% of the total purchase price of three of the 44,000 dwt parcel tankers currently under construction at SLS. The facility, which is fully guaranteed by the joint venture and non-recourse to the Group, matures on May 31, 2016. On September 1, 2009 the banks agreed to extend the availability of the tranche related to the first ship until November 30, 2009 in exchange for an increase in the margin. Subsequent to year-end, on January 12, 2010, the facility was expanded to include all four of the 44,000 dwt parcel tankers ordered from SLS. At the same time the availability period was extended to encompass new delivery dates. The interest rate for the facility is based on LIBOR plus a margin.

On June 12, 2006, the Group entered into a joint venture agreement with Lingang Harbor Affairs Company ("LHAC") to establish the Tianjin Lingang Stolthaven Jetty Company which was established to own and operate a jetty and docks to be contributed by LHAC. LHAC contributed the jetty in December 2007. At the same time, the Group entered into another joint venture agreement with LHAC to establish the Tianjin Lingang Stolthaven Terminal Company to design, build and operate a chemical and oil products terminal.

16. Investments in and Advances to Joint Ventures and Associates (Continued)

On December 21, 2006, the Group announced the signing of an agreement with CITIC Daxie Development Co. in Ningbo, China to establish a joint venture to design, construct, own and operate a state-of-the-art chemical and oil products terminal on Daxie Island. Each party owns 50% of the newly formed joint venture company, Stolthaven Ningbo Co. Ltd (“Stolthaven Ningbo”).

On July 21, 2006, the Group purchased 50% of the outstanding shares of Oiltanking Stolthaven Antwerp N.V. (“Oiltanking Antwerp”) from Oiltanking Ghent N.V. The Group also entered into a Joint Venture Agreement (“JV Agreement”) with Oiltanking GmbH (“Oiltanking”). The purpose of the joint venture is to provide independent tank terminal services and activities in the Port of Antwerp for bulk liquid products, animal and vegetable oils, gas products and other products. The purchase consideration could be adjusted in future for a contingency relating to an acquisition made by Oiltanking in January 2001. As part of the purchase of Oiltanking Antwerp certain indemnities were given to the Group. Any payments made or cash received as a consequence of these indemnities will be recorded when the contingency is resolved and consideration is paid or becomes payable.

The only significant intangible asset identified as a part of this acquisition was Oiltanking’s concession agreement with the Port Authority of Antwerp which will expire in 2030. Based on market rates for similar concession agreements at the date of acquisition, the fair value of this concession was valued at $9.3 million which is reflected in the value of equity investment in joint ventures. This asset is being amortised on a straight-line basis over the remaining life of the concession agreement of 24 years.

Goodwill represents the residual of the purchase consideration over the fair value of the assets and liabilities acquired. Based on the fair value of assets and liabilities acquired as a part of this equity method investment, goodwill is $26.9 million.

Summarised financial information of the Group’s joint ventures and associates representing 100% of the respective amounts included in the individual joint ventures’ financial statements is as follows:

	For the years ended November 30,	
	2009	2008
<u>Income statement data</u>	(in thousands)	
Joint Ventures		
Operating revenue	**$ 293,163**	$ 262,819
Gross profit	**82,136**	74,849
Net profit	**38,628**	45,574
Associates		
Operating revenue	**$ 5,880**	$ 6,982
Gross profit	**1,661**	2,983
Net profit	**511**	379
<u>Balance sheet data</u>		
Joint Ventures		
Current assets	**$ 148,262**	$ 148,719
Non-current assets	**839,404**	746,503
Current liabilities	**168,059**	208,296
Non-current liabilities	**456,712**	354,197
Associates		
Current assets	**$ 3,238**	$ 2,767
Non-current assets	**1,127**	1,241
Current liabilities	**1,248**	1,595
Non-current liabilities	**154**	154

The statement of operations for the joint ventures and associates presented above includes the following items related to transactions with the Group:

16. Investments in and Advances to Joint Ventures and Associates (Continued)

	For the years ended November 30, 2009	2008
	(in thousands)	
Joint Ventures		
Charter hire revenue*	$ **28,923**	$ 36,329
Tank container cleaning station revenue	**1,035**	1,168
Other revenue	**129**	133
Charter hire expense	**12,008**	12,490
Management and other expenses	**2,883**	3,669
Freight and Joint Service commission expense	**1,260**	1,089
Finance expense	**2,887**	4,990
Profit sharing expense	**288**	384
Other expense	**903**	670
Associates		
Tank container cleaning station revenue	**3,228**	3,410
Management and other expenses	—	80

* The charter hire revenues are amounts distributed to NYK Stolt, a joint venture of the Group.

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

17. Intangible Assets

Intangible assets are shown below:

	Goodwill	Trademark	Customer Relations	Computer Software	Other	Total
			(in thousands)			
Cost:						
Balance, November 30, 2007	**$ 450**	**$ —**	**$ —**	**$ 13,899**	**$ 606**	**$ 14,955**
Acquisitions	—	—	—	1,328	—	1,328
Acquisition of Taby Group (Note 33)	19,425	1,905	8,389	—	—	29,719
Net foreign exchange differences	(2,536)	(249)	(1,090)	(336)	(82)	(4,293)
Balance, November 30, 2008	**17,339**	**1,656**	**7,299**	**14,891**	**524**	**41,709**
Acquisitions	—	—	—	3,905	—	3,905
Retirements	—	—	—	(46)	—	(46)
Net foreign exchange differences	2,827	299	1,314	994	135	5,569
Balance, November 30, 2009	**20,166**	**1,955**	**8,613**	**19,744**	**659**	**51,137**
Accumulated Amortization:						
Balance, December 1, 2007	**$ —**	**$ —**	**$ —**	**$ 10,636**	**$ 80**	**$ 10,716**
Charge for the year	—	28	244	1,085	25	1,382
Net foreign exchange differences	—	—	—	(69)	(15)	(84)
Balance, November 30, 2008	**—**	**28**	**244**	**11,652**	**90**	**12,014**
Charge for the year	—	176	1,551	965	22	2,714
Retirements	—	—	—	(46)	—	(46)
Net foreign exchange differences	—	24	215	1,376	19	1,634
Balance, November 30, 2009	**—**	**228**	**2,010**	**13,947**	**131**	**16,316**
Intangible assets, net at November 30, 2009	**$ 20,166**	**$ 1,727**	**$ 6,603**	**$ 5,797**	**$ 528**	**$ 34,821**

All intangible assets other than goodwill were subject to amortization as of November 30, 2009 and 2008. The amortization of intangibles is charged to operating expenses.

During October 2008 the Group acquired the tank container operations of Taby Group resulting in goodwill of $19.4 million as well as trademark and customer relations intangible assets of $1.9 million and $8.4 million, respectively. For further information on the acquisition, see Note 33.

Goodwill has been tested for impairment as of November 30, 2009 with the Tank Container segment. See Note 2 for further discussion of the method of testing for impairment of goodwill.

18. Accounts Payable

	As of November 30,	
	2009	2008
	(in thousands)	
Trade payables	$ **40,481**	$ 43,199
Agents	**11,395**	13,368
Insurance	**618**	505
Withholding and value added tax	**2,486**	1,458
In-transit payments	**4,041**	2,546
Other	**580**	645
	$ **59,601**	$ 61,721

19. Short-Term Bank Loans and Lines of Credit

Short-term bank loans, which amounted to $355.9 million and $475.6 million as of November 30, 2009 and 2008, 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 1.1% to 6.0% in 2009, and from 1.8% to 7.0% in 2008. The weighted average interest rate was 1.5% and 3.9% for the years ended November 30, 2009 and 2008, respectively.

As of November 30, 2009, the Group had various credit lines, including committed lines totaling $695.9 million, of which $350.9 million was available for future use. Of the total $718.6 million credit lines at November 30, 2009, $695.9 million is committed beyond one year from the balance sheet date and is secured and $22.7 million is periodically subject to renewal. The $22.7 million unsecured credit lines are payable on demand and can be withdrawn by the banks at short notice. Commitment fees for unused lines of credit were $0.7 million and $0.8 million for the years ended November 30, 2009 and 2008, 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 limit the ability of the Group to draw funds from time to time. During the years ended November 30, 2009 and 2008, the Group was in compliance with the financial covenants under its debt agreements.

Agreements executed in connection with certain debt obligations require that the Group maintains defined financial covenants, including but not limited to, minimum consolidated tangible net worth, maximum consolidated debt to tangible net worth and minimum EBITDA to consolidated interest expense. 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. Substantially all of the debt is collateralised by mortgages on ships and terminals with a net carrying value of $1.5 billion as of November 30, 2009.

20. Long-Term Debt and Finance Leases

Long-term debt as of November 30, 2009 and 2008 consisted of the following:

	2009	2008
	(in thousands)	
Preferred ship fixed rate mortgages:		
Fixed interest rates ranging from 4.63% to 8.57%, maturities vary through 2020	**$ 405,464**	$ 394,451
Preferred ship variable rate mortgages:		
Interest rates ranging from 1.45% to 4.07%, maturities vary through 2020	**169,988**	102,820
Senior Secured Credit Facility (see below)	**193,258**	188,327
Variable rate construction debt:		
Interest rates ranging from 1.23% to 3.57%, maturities vary through 2023	**149,930**	104,313
Finance leases (see below)	**4,982**	9,588
Bank and notes payable:		
Interest rates ranging from 0.0% to 7.0%, maturities vary through 2012	**885**	758
	924,507	800,257
Less—current maturities	**(84,035)**	(65,322)
	$ 840,472	$ 734,935

Long term debt

Long-term debt is denominated primarily in U.S. dollars, with $0.2 million and $0.1 million denominated in other currencies as of November 30, 2009 and 2008, respectively.

On March 9, 2009 the Group entered into a $250.0 million facility agreement with Eksportfinans ASA and DnB Nor Bank ASA to be secured by mortgages on four ships that the Group has 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. As of November 30, 2009 the Group had drawn down a total of $125.0 million under the facility as two of the four ships have been delivered. Delivery of the *Stolt Grønland* was in December 2009 and the final ship is expected to be delivered in 2010. 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 or will be drawn and will be repaid in 24 semi-annual installments, with balloon payments along with the 24th installment for tranches 1-4 totaling $37.5 million. The Group has converted the LIBOR rate into a fixed rate loan through interest rate swap contracts based on the anticipated future delivery dates. 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. On this new top-off facility the Group has drawn down $100.0 million in 2008 and $14.0 million in 2009 with the final drawdown of $36.0 million made in December 2009. Each tranche has a maturity of ten years after the draw down date.

On February 15, 2008, the Group entered into a NOK 825.6 million facility agreement with Eksportfinans and DnB Nor Bank ASA and has drawn down the twelve-year secured term loan in 2008 for $146.3 million. Upon draw down, 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.

20. Long-Term Debt and Finance Leases (Continued)

On August 21, 2008, the Group entered into a $625.0 million loan facility guaranteed by the Korean Export Insurance Corporate for the financing of eight newbuildings to be constructed by SLS. The facility allows for pre-delivery draw downs secured by the refund guarantee, and will be secured by mortgages on the ships once these are delivered. After delivery of each of the ships the loan amount in respect to that ship will be repaid in 24 semi-annual installments. In 2009 and 2008, respectively, we had drawn down $44.7 million and $118.3 million under the facility to finance progress payments made to the yard.

The Group has a $200 million seven-year secured term loan and revolving credit agreement with various lending institutions including DnB Nor Bank ASA as administrative and collateral agent. The initial draw down on this facility was $169 million with an additional $20.7 million drawn down in 2008 and $4.7 million in 2009. The interest rates on this facility range from LIBOR plus a margin. The LIBOR rate has been converted to a fixed rate loan for $159 million of the total loan through interest rate swap contracts.

Debt issuance costs of $18.8 million and $19.0 million have been netted against long-term debt at November 30, 2009 and 2008, respectively. Debt issuance costs recognised as part of effective interest rates were $2.4 million and $1.4 million for the years ended November 30, 2009 and 2008, respectively.

Finance leases

Finance leases relate to tank containers, rail cars and computer equipment. The Group's obligations under finance leases are secured by the lessor's title to the leased assets.

	Minimum Lease Payment
	(in thousands)
No later than one year	**$ 2,455**
From 2 to 3 years	**2,324**
From 4 years and beyond	**660**
	$ 5,439
Less: future finance charges	**(457)**
	$ 4,982
Included in the financial statements as:	
Current maturities	**2,226**
Non-current maturities	**2,756**
	$ 4,982

21. Operating Leases

As of November 30, 2009, the Group was obligated to make payments under long-term operating lease agreements for tankers, terminal facilities, tank containers, barges, 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.

During 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 and 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. These operating leases had commitments for the initial periods of approximately $117.4 million as of November 30, 2009, for the period 2010 through 2016 and are included in the schedule below.

In November 2009, the Group entered into a time charter for the Very Large Gas Carrier *Yuhsho* for three years. The operating lease had commitments for the initial period of approximately $14.0 million and is included in the schedule below.

21. Operating Leases (Continued)

Minimum annual lease commitments, under agreements which expire at various dates through 2028 are as follows:

	(in thousands)
2010	$ 138,486
2011	98,375
2012	71,237
2013	16,090
2014	10,914
Thereafter	14,496
	$ 349,598

Rental and charter hire expenses under operating lease agreements for the years ended November 30, 2009 and 2008 were $191.8 million and $205.0 million, respectively, net of sub-lease income of nil and $1.5 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, 2009 and 2008, charter hire expenses related to these leases were $52.3 million and $78.0 million, respectively.

22. Provisions

	Legal Provisions (Note 25)	Customer Settlements and Rebate Provisions (Note 25)	Santos Environmental Provision	Restructuring	Total
			(in thousands)		
Balance at December 1, 2008	**$ 9,241**	**$ 512**	**$ 761**	**$ 1,350**	**$ 11,864**
Additional provisions recognised	8,820	—	42	649	9,511
Reductions arising from payments	(7,934)	(451)	(109)	(424)	(8,918)
Additions (reductions) arising from remeasurement	228	—	243	(62)	409
Other	2,274	(61)	—	(309)	1,904
Balance at November 30, 2009	**$ 12,629**	**$ —**	**$ 937**	**$ 1,204**	**$ 14,770**

The restructuring provision included severance costs from the partial restructure of STC in Europe, subsequent to the acquisition of the Taby Group and severance costs related to the outsourcing of certain business technology positions. The restructuring plan is expected to be completed in 2010.

During 2007 whilst in the process of renewing the operating licence of our terminal in Santos, the local environmental pollution authority required that we conduct a routine environmental assessment of the terminal land. The assessment uncovered certain potential environmental concerns. Additional investigation has been performed and $0.9 million is the Group's best estimate of the future remediation provision at November 30, 2009.

23. Pension and Other Post-retirement Benefit Plans

Certain of the subsidiaries of the Group have pension and other post-retirement benefit plans covering substantially all of their shore-based employees and certain ship officers of the Group. The Group's policy is to fund pension and other post-retirement costs as required by applicable laws and regulations.

For the years ended November 30,	Pension Benefits 2009	Pension Benefits 2008	Other U.S. Post-retirement Benefits 2009	Other U.S. Post-retirement Benefits 2008
	(in thousands)			
Present value of funded obligations	**$ (178,822)**	$ (143,971)	**$ —**	$ —
Fair value of plans	**157,147**	127,172	**—**	—
Short-fall in funded obligations	**(21,675)**	(16,799)		—
Present value of unfunded obligations	**(10,599)**	(8,906)	**(12,971)**	(13,300)
Unrecognised past service cost	**22**	24	**(151)**	—
Net liabilities	**$ (32,252)**	$ (25,681)	**$ (13,122)**	$ (13,300)

Net periodic benefit costs for the Group's defined benefit pension plans (including a retirement arrangement for one of the Group's ex-directors) and other U.S. post-retirement benefit plans shown above for the years ended November 30, 2009 and 2008, consist of the following:

For the years ended November 30,	Pension Benefits 2009	Pension Benefits 2008	Other U.S. Post-retirement Benefits 2009	Other U.S. Post-retirement Benefits 2008
	(in thousands)			
Components of Net Periodic Benefit Cost:				
Service cost	**$ 3,743**	$ 4,558	**$ 261**	$ 315
Interest cost	**10,665**	10,482	**845**	892
Expected return on plan assets	**(9,213)**	(10,782)	**—**	—
Amortisation of past service cost	**20**	989	**(1,066)**	—
Curtailment gain recognised	**(27)**	—	**—**	—
Net periodic benefit cost	**$ 5,188**	$ 5,247	**$ 40**	$ 1,207

Net periodic benefit cost is included in Administrative and General expenses.

U.S. based employees retiring from the Group after attaining the age 55 with at least ten years of service with the Group are eligible to receive post-retirement health care 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.

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

23. Pension and Other Post-retirement Benefit Plans (Continued)

For the years ended November 30,	Pension Benefits 2009	Pension Benefits 2008	Other U.S. Post-retirement Benefits 2009	Other U.S. Post-retirement Benefits 2008
	(in thousands)			
Change in Benefit Obligation:				
Benefit obligations at beginning of year	**$ 152,877**	$ 184,624	**$ 13,300**	$ 13,430
Service cost	**3,743**	4,558	**261**	315
Interest cost	**10,665**	10,482	**845**	892
Benefits paid	**(7,666)**	(21,319)	**(638)**	(590)
Plan participant contributions	**207**	286	**—**	—
Foreign exchange rate changes	**4,581**	(10,046)	**—**	—
Expenses paid	**(273)**	(278)	**—**	—
Net transfer in	**—**	223	**—**	—
Plan combinations	**—**	906	**—**	—
Plan curtailments	**(27)**	—	**—**	—
Plan settlements	**(211)**	—	**—**	—
Amendments	**17**	986	**(1,218)**	—
Actuarial losses (gains)	**25,509**	(17,545)	**421**	(747)
Benefits obligation at end of year	**$ 189,422**	$ 152,877	**$ 12,971**	$ 13,300

For the years ended November 30,	Pension Benefits 2009	Pension Benefits 2008
	(in thousands)	
Change in Plan Assets:		
Fair value of plan assets at beginning of year	**$ 127,172**	$ 175,476
Expected return on plan assets	**9,213**	10,782
Actuarial return on plan assets	**11,279**	(53,265)
Company contributions	**12,122**	23,778
Plan participant contributions	**207**	286
Foreign exchange rate changes	**5,304**	(8,288)
Plan settlements	**(211)**	—
Benefits paid	**(7,666)**	(21,319)
Expenses paid	**(273)**	(278)
Fair value of plan assets at end of year	**$ 157,147**	$ 127,172

Actual gain on plan assets was $20.5 million for the year ended November 30, 2009 and the actual loss on plan assets was $42.5 million for the year ended November 30, 2008.

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

As of November 30,	Pension Benefits 2009	Pension Benefits 2008	Other U.S. Post-retirement Benefits 2009	Other U.S. Post-retirement Benefits 2008
	(in thousands)			
Non current asset	**$ 14,507**	$ 8,619	**$ —**	$ —
Non current liabilities	**(46,759)**	(34,300)	**(13,122)**	(13,300)
Net prepaid/(accrued) benefit/(cost)	**$ (32,252)**	$ (25,681)	**$ (13,122)**	$ (13,300)

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 other U.S. post-retirement benefits:

23. Pension and Other Post-retirement Benefit Plans (Continued)

As of November 30,	Pension Benefits 2009	Pension Benefits 2008	Other U.S. Post-retirement Benefits 2009	Other U.S. Post-retirement Benefits 2008
Weighted-Average Assumptions				
Discount rate	**7.06%**	6.17 %	**7.6%**	6.2%
Expected long-term rate of return on assets	**6.93 %**	7.24 %	—	—
Rate of increase in compensation levels	**3.82 %**	3.89 %	—	—
Rate of inflation	**2.82 %**	2.94 %	—	—
Life expectancy for an individual currently at 65:				
Male	**19.2yrs**	18.5yrs	—	—
Female	**21.3yrs**	21.0yrs	—	—

Health care cost trends assume a 8.9% annual rate of increase in the per capita cost of covered health care benefits for 2009, 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 2009 would be an approximate $1.4 million increase or an approximate $1.2 million decrease and the effect on the aggregate of the service cost and interest cost of the net periodic benefit cost for 2009 would be an approximate $0.1 million increase or decrease.

The Group's defined benefit pension plans' weighted-average asset allocation as of November 30, 2009 and 2008, by category, was as follows:

	2009	2008
Equity Securities	**54%**	51 %
Debt Securities	**37%**	34 %
Real Estate	**7%**	10 %
Other	**2%**	5 %
Total	**100%**	100 %

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 expected return on plan assets is based on market expectations for the different types of investment classes in which the pension plan assets are invested. The assumption is derived as the weighted average of the expected returns for each asset class, net of the applicable investment expenses. The overall expected return on assets assumption reflects the reasonable return expected for the portfolio to earn over time, based on forward-looking economic assumptions.

Management reviews the expected long-term rates of return on an annual basis and revises them as appropriate.

23. Pension and Other Post-retirement Benefit Plans (Continued)

The Group expects to contribute $15.6 million to its defined benefit pension and post-retirement benefit plans in 2010.

The history of experience (gains) losses and cumulative actuarial (gains) losses recognised in the Consolidated Statement of Comprehensive Income (before tax) are as follows:

	2009		2008		2007	
As of November 30,	Pension Benefit	Other U.S. Post-retirement Benefits	Pension Benefit	Other U.S. Post-retirement Benefits	Pension Benefit	Other U.S. Post-retirement Benefits
			(in thousands)			
Experience (gains) losses on plan assets	**$ (11,960)**	$ —	$ 54,475	$ —	$ (1,939)	$ —
Experience losses (gains) on plan liabilities	**23,272**	**421**	(10,692)	(747)	(7,455)	(914)
Cumulative actuarial losses (gains) recognised in the Consolidated Statement of Comprehensive Income (before tax)	**38,411**	**(1,780)**	24,181	(2,201)	(11,539)	(1,454)
Net accrued cost	**(32,252)**	**(13,122)**	(25,681)	(13,300)	(9,148)	(13,430)

The Group also provides defined contribution plans to certain of its qualifying employees. Group contributions charged to expense for these plans were $7.7 million and $8.3 million for the years ended November 30, 2009 and 2008, respectively.

24. Commitments and Contingencies

As of November 30, 2009, the Group had total capital expenditure purchase commitments outstanding of approximately $746 million, including the shipbuilding agreements discussed below.

Shipbuilding Contracts

The Group has entered into eight ship building contracts with SLS for eight 43,000 dwt parcel tankers. The aggregate price for the eight ships is expected to be approximately $723.0 million, with deliveries scheduled to take place between mid 2010 and early 2012. The SLS ships will have a combination of 24 stainless tanks and 15 coated tanks. The outstanding commitment, net of deposits, is $426.6 million. Financing has been obtained for these commitments.

The Group has also entered into an agreement with SLS for four 44,000 dwt parcel tankers. The original agreement was that upon delivery, one parcel tanker would be sold to Gulf Navigation with the remaining three to have been sold to Gulf Stolt Tankers FZCO. See Note 16 above for related financing. Gulf Navigation has also entered into a separate agreement with SLS for the purchase of two 44,000 dwt parcel tankers which also will be entered into the STJS.

On March 18, 2009, the Group cancelled the first 44,000 dwt ship, citing extended delivery delays. This was followed by the cancellation of the second ship on March 30, 2009 and the third ship on October 19, 2009, also citing extended delivery delays. SLS challenged the Group's right to cancel these ships. The disputes have been referred to arbitration.

Following negotiations, the Group, on January 11, 2010, announced that they had reached an agreement with SLS to purchase all four 44,000 dwt ships that had been originally contracted at a reduced price. The terms of the agreement require SLS to deliver the four ships between February 2010 and July 2010. Arbitration proceedings have been suspended pending delivery of the ships. The advance payments on these ships under the original shipbuilding contracts continue to be covered by refund guarantees by the Korean Development Bank.

24. Commitments and Contingencies (Continued)

In the event that SLS enters into bankruptcy, administration, receivership or other similar proceedings in Korea or elsewhere prior to completion of the delivery of the above twelve ships, it is possible that the Group's ability to recover instalment payments from the yard or under the bank-issued refund guarantees may take considerable time. In particular where the yard has disputed the Group's ability to cancel the delivery of any ship(s) and/or claim recovery of the instalment payments, the liquidator, administrator or receiver may be able to suspend or delay the ability of the Group to seek an arbitration award (required under the shipbuilding agreements in such case) entitling the Group to a refund of the instalment payments until such time as such proceedings have been completed.

The Group entered into six shipbuilding contracts with Aker Yards in 2006 (since then acquired by STX and now referred above as STX Yards) to build six 43,000 dwt parcel tankers. The new ships have 24 stainless steel tanks and 15 coated tanks. The aggregate price for the above-mentioned six ships is expected to be approximately $548.8 million. The first ship, the *Stolt Sagaland*, was delivered in the first quarter 2008, the *Stolt Sneland* in the fourth quarter 2008, the *Stolt Island* in the first quarter 2009, the *Stolt Norland* in the third quarter 2009 and the *Stolt Grønland* in December 2009. Delivery of the sixth ship is scheduled to take place in March 2010. At November 30, 2009, the outstanding commitment on the remaining two ships, net of deposits, is $49.6 million.

The last four ships were to be constructed pursuant to the Common Structural Rules ("CSR") for tankers issued by the International Association of Classification Societies although the precise impact of this was still to be resolved at the time the contracts were agreed. STX Yards has claimed an additional total cost of $12.3 million for the above four ships for complying with the CSR requirements and permissible delay varying from 35 to 90 days for each ship. The Group has disputed this claim as it considers the yard claim to be excessive and that STX Yards is entitled to $4.8 million. Further, it disputes their entitlement to permissible delay. The dispute, including liquidated damages that could be owed to the Group if permissible delay is not allowed, totals approximately $4.9 million for the four ships.

Under the shipbuilding agreements, the Group must pay disputed amounts in order to take delivery of each ship. The Group has paid a disputed $8.7 million as of November 30, 2009 and expects to pay further disputed amounts of $3.6 million for the remaining two ships. These disputed payments have been or will be secured by bank refund guarantees. The final hearing on the arbitration is scheduled to be heard later in 2010.

The Group has provided guarantees to the Usuki Shipyards Co. Ltd ("Usuki") for 50% of the cost for four 12,500 dwt ships to be constructed by Usuki for NYK Stolt Shipholding Inc., the Group's 50% owned joint venture. At November 30, 2009, the guarantee is for the Group's share of expenditure of $52.1 million and extends until June 2011. The Group has recorded a liability of $0.3 million at November 30, 2009 in relation to the fair value of this guarantee.

Purchase Commitments

On November 18, 2009 the Group announced that it had agreed to acquire an LPG carrier through its subsidiary Stolt-Nielsen Gas Ltd. The 82,557 cubic metre LPG carrier *Althea Gas* is being purchased from Kaiun Kaisha of Japan. The ship was delivered on January 27, 2010.

The Group's joint ventures had an additional $34.4 million of purchase commitments, not specifically guaranteed by the Group. These primarily relate to capital projects.

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.

24. Commitments and Contingencies (Continued)

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.

During 2001, the Group sold their tank storage terminals in Perth Amboy, New Jersey and Chicago, Illinois. Under the terms of the sales agreements, the Group had retained responsibility for certain environmental contingencies, should they arise during the covered period which ended two years after the closing dates, in connection with these two sites. As of November 30, 2009, the Group has not been notified of any such contingencies having been incurred by the purchaser of the two sites and neither does it anticipate any such contingencies being incurred in the future. The Chicago, Illinois terminal property had been leased under a long-term agreement with the Illinois International Port District. In addition, as part of the Chicago, Illinois sale, the Group assigned its rights to the terminal property to a third party. The Group is contingently liable if the third party does not return the facility in acceptable condition at the end of the sublease period, on June 30, 2026. The Group retained ownership of approximately 77 acres of land at Perth Amboy and has agreed to sell such property to a purchaser who has agreed to address and be responsible for remediation of environmental matters at the site. This sales transaction is scheduled to close in 2010. In a bankruptcy proceeding involving a previous owner of the property, the bankruptcy court approved a remediation fund designated for and to be held in escrow for such cleanup costs, which funds have been paid from the court and are being held in escrow.

The Group's tank storage terminal in Braithwaite, Louisiana ("Stolthaven New Orleans") received various compliance orders and notices of potential penalty in July and August 2008 from the Louisiana Department of Environmental Quality ("LDEQ") relating to a discharge of product in March 2008. Stolthaven New Orleans has contested certain findings of the LDEQ. These enforcement notices raise potential violations of Louisiana environmental laws and regulations. As a result of the same discharge of product, the U.S. Environmental Protection Agency ("EPA") issued a request for information in June 2008 requesting documents and information. The United States Department of Justice also issued a subpoena for documents in July 2008 relating to the same incident. Stolthaven New Orleans has cooperated with each of the requests from such governmental agencies**.**

25. Legal Proceedings

For the matters described below, the Company incurred legal costs and provisions of $7.4 million in 2009 and $15.9 million in 2008, which are included in "Administrative and general expenses" in the consolidated income statements. The Group records provisions for certain legal cases discussed below where it believes the likelihood of losses is probable. Ongoing legal proceedings could have a material adverse effect on the Group's consolidated financial positions or results of operations in the future.

The Company expects that it will continue to incur additional legal costs until these matters are resolved. During 2009, the Company was involved in a number of antitrust-related legal proceedings which are described below.

Governmental Antitrust Investigations into the Company's Parcel Tanker Business

In 2002, the Company became aware of information that caused it to undertake an internal investigation regarding potential improper collusive behavior in its parcel tanker and intra-Europe inland barge operations. As a consequence of the internal investigation, the Company voluntarily reported certain conduct to the Antitrust Division (the "Antitrust Division") of the U.S. Department of Justice (the "DOJ") and the Competition Directorate of the European Commission (the "EC"). The DOJ and the EC investigations ultimately were concluded without any fines or penalties being imposed against the Company.

25. Legal Proceedings (Continued)

On September 30, 2008, the Company announced that it had reached an agreement to resolve an investigation by the Canadian Competition Bureau ("CCB") into the parcel tanker shipping industry. The CCB's inquiry related to a customer list exchange between the Company and a competitor. The Company was not charged with an offence and did not admit to any violations of Canadian competition law. The Company consented to the issuance of a Prohibition Order by the Federal Court of Canada requiring certain ongoing compliance measures with Canadian competition laws. In addition, the Company made a payment of CDN $200,000 dollars toward the cost of the CCB investigation.

The CCB has confirmed that its investigation into the parcel tanker shipping industry remains ongoing. The Company is continuing to cooperate with the CCB. The Company is unable to determine if an unfavorable outcome is probable, is unable to estimate a range of possible losses, and has therefore made no provisions for any fines related to the ongoing Canadian antitrust investigation in the accompanying consolidated financial statements. It is possible that the outcome of this ongoing investigation could result in criminal prosecutions, and if the Company is found guilty, material fines and penalties. Consequently, the outcome of the CCB investigation could have a material adverse effect on the Company's financial condition, cash flows and results of operations.

Antitrust Civil Class Action Litigations and Arbitrations

During 2009 and 2008, there were three putative private antitrust class action lawsuits outstanding against the Company in U.S. federal and state courts for alleged violations of antitrust laws:

1. *Karen Brock, on behalf of herself and all others similarly situated, v. Stolt-Nielsen S.A., Stolt-Nielsen Transportation Group Ltd., Odfjell ASA, Odfjell USA, Inc., Jo Tankers BV, Jo Tankers USA, Inc., Tokyo Marine Co. Ltd and Does 1 through 100 inclusive, No. CGC 04429758 (Superior Court of Cal., County of San Francisco) ("Brock");*
2. *Scott Sutton, on behalf of himself and all others similarly situated in the State of Tennessee v. Stolt-Nielsen S.A., Stolt-Nielsen Transportation Group Ltd., Odfjell ASA, and Odfjell Seachem AS, Odfjell USA Inc., Jo Tankers BV, Jo Tankers USA, Inc., and Tokyo Marine Co. Ltd., No. 28,713-II (Cir. Ct. Cocke County, Tenn.) ("Sutton"); and*
3. *AnimalFeeds International Corp., Inversiones Pesqueras S.A., Central Pacific Protein Corp, and Atlantic Shippers of Texas, Inc., individually and on behalf of all other similarly situated v. Stolt-Nielsen S.A., Stolt-Nielsen Transportation Group Ltd., Odfjell ASA; Odfjell USA Inc., Jo Tankers BV, Jo Tankers USA, Inc., and Tokyo Marine Co. Ltd, 2:03-CV-5002 (E.D. Pa.) ("AnimalFeeds").*

These class actions set forth almost identical claims of collusion and bid rigging in the parcel tanker industry. On behalf of each putative class, the suits seek treble damages in unspecified amounts and allege violations of the Sherman Antitrust Act or various state antitrust and unfair trade practices acts.

In *Brock* and *Sutton*, indirect purchasers of the Company's parcel tanker services claim in state court antitrust class actions that collusion resulted in higher prices being passed on to them. The *Brock* action, which is pending in California state court, continues to be stayed by agreement of the parties. The *Sutton* case, a Tennessee state court action, has been dismissed with prejudice by the court for lack of personal jurisdiction and the time to appeal such dismissal has passed.

In *AnimalFeeds*, a customer claims on behalf of a putative class that, as a result of the defendants' alleged collusive conduct, it paid higher prices under its contracts with the defendants. As a result of rulings by the U.S. Court of Appeals for the Second Circuit in related, and now terminated, civil court proceedings involving the Company, AnimalFeeds, as a direct purchaser, was required to proceed in arbitration rather than in federal district court.

Before reaching the merits of the *Animalfeeds* case or the certification of an appropriate class, the parties have been litigating whether or not class arbitration is permitted under the relevant contracts. The Second Circuit had determined that the arbitration clauses permit class arbitration of the *Animalfeeds* antitrust claims. The Company has appealed this decision ordering class arbitration to the U.S. Supreme Court, which is reviewing the ruling. Oral arguement occurred on December 9, 2009. The *Animalfeeds* arbitration is stayed pending the Supreme Court's ruling, which is expected in 2010.

25. Legal Proceedings (Continued)

The Company is not able to determine if a negative outcome in any of these ongoing actions is probable, is unable to estimate a range of possible losses, and has therefore made no provisions for any of these claims in the accompanying consolidated financial statements. It is possible that the outcomes of any or all of these proceedings could have a material adverse effect on the Company's financial condition, cash flows and results of operations.

Customer Settlements

Since the governmental antitrust investigations began, the Company has engaged in discussions with a number of customers regarding the subject matter of those investigations to resolve existing and potential antitrust claims by such customers. The Company has typically resolved such claims by amending the commercial terms of its agreements with its customers and, in some cases, making up-front cash payments or guaranteed payments to customers. In 2009, the Company has made no provisions against operating revenue for any settlement agreements or agreements in principle or offers made to customers.

Federal Securities Class Action Litigation

The Company and four individuals are defendants in a putative civil securities class action claim filed in the U.S. District Court for the District of Connecticut. The complaint alleges that the Company and the other defendants violated U.S. embargo laws, as well as U.S. securities laws, because the Company's public filings failed to disclose that a "material portion" of its revenues resulted from the defendants' violations of U.S. embargo and antitrust laws. In June 2009, the Company finalised a settlement agreement that resolves this litigation. This agreement admits no liability or wrongdoing on the part of the Company or its officers and directors and requires the Company to make payments totalling $2.0 million. The agreement requires, among other things, notice to the class of the proposed terms, and is subject to court approval, which cannot be assured and remains pending. The Company has made a $2.0 million accrual with respect to this settlement agreement.

General

The Company is a party to various other legal proceedings arising in the ordinary course of business. The Company believes that none of those matters will have a material adverse effect on its business or financial condition.

The Company is also involved in arbitration related to certain shipbuilding contracts. These are discussed above in Note 24.

The ultimate outcome of governmental and third-party legal proceedings is inherently difficult to predict. The Company's operations are affected by U.S. and foreign environmental protection laws and regulations. Compliance with such laws and regulations entails considerable expense, including ship modifications and changes in operating procedure.

Due to the uncertainty over the resolution of the matters described above, as of November 30, 2009, the Company had not established any reserves for legal fees and costs related to these proceedings.

26. Capital Stock, Founder's Shares and Dividends Declared

	November 30,	
	2009	**2008**
Founder's shares, no par value		
Shares authorised	16,250,000	16,250,000
Shares issued	16,033,449	16,033,449
Treasury shares	1,121,002	1,124,877
Common shares, stated $1		
Shares authorised	65,000,000	65,000,000
Shares issued (fully paid)	64,133,796	64,133,796
Treasury shares	4,484,008	4,499,511

26. Capital Stock, Founder's Shares and Dividends Declared (Continued)

Share Rights

The Group's authorised share capital consists of 65,000,000 Common shares, no par value, and 16,250,000 Founder's shares, no par value. While the Common shares do not have a par value, they have been assigned a stated value of $1 per Common share. Under the Luxembourg Company law, Founder's shares are not considered as representing capital of the Group.

In addition to the authorised Common shares and Founder's shares of the Group, an additional 1,500,000 Class B shares, no par value, have been authorised for the sole purpose of the issuance of options granted under the Group's existing stock option plans, and may not be used for any other purpose. The rights, preferences and priorities of such Class B shares are set forth in the Articles of Incorporation.

All such Class B shares convert to Common shares immediately upon issuance. Such authorised and unissued Class B shares and all of the rights relating thereto expire, without further action, on December 31, 2010. 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 Articles of Incorporation, 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 Articles 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 Articles, 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 stated 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.

Share Listings

The Common shares are listed in Norway on the Oslo Børs. The Group's Common shares also previously traded in the form of American Depositary Shares ("ADS") (each ADS representing one Common share) in the U.S. on Nasdaq. On April 19, 2007, the Group announced its intention to voluntarily delist from the Nasdaq Global Select Market, to be effective as of the close of trading on May 21, 2007, and to terminate its American Depositary Receipt programme.

On May 28, 2008, the Group voluntarily filed a Form 15-F with the SEC to deregister and terminate its reporting obligations under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"). The deregistration became effective from August 26, 2008.

Dividends

In November 2009, the Group's Board of Directors declared an interim dividend of $0.50 per Common share and $0.005 per Founder's share which was paid on December 9, 2009 to all shareholders of record as of November 25, 2009. The dividend resulted in a cash payment to holders of Common shares and Founder shares of $29.9 million.

On February 13, 2009, the Group's Board of Directors recommended no final 2008 dividend payment for 2008. The action reflected the Group's focus on conserving cash, given the weakness and uncertainty in the global economic outlook.

In November 2008, the Group's Board of Directors declared an interim dividend of $0.50 per Common share and $0.005 per Founder's share which was paid on December 10, 2008 to all shareholders of record as of November 26, 2008. The dividend resulted in a cash payment to holders of Common shares and Founder shares of $29.9 million.

On February 7, 2008, the Group's Board of Directors recommended a final 2007 dividend of $0.50 per Common share which was approved by the shareholders, payable on June 4, 2008 to shareholders of record as of May 21, 2008. The dividend resulted in a cash payment to holders of Common shares of $29.8 million.

26. Capital Stock, Founder's Shares and Dividends Declared (Continued)

In November 2007, the Group's Board of Directors declared an interim dividend of $0.50 per Common share and $0.005 per Founder's share which was paid on December 12, 2007 to all shareholders of record as of November 28, 2007. The dividend resulted in a cash payment to holders of Common shares and Founder's shares of $29.9 million.

Founder's Shares and Treasury Shares

As of November 30, 2009 and 2008, 14,912,447 and 14,908,572, 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. No stated values for the Founder's shares are included in the consolidated balance sheets, as these shares exist solely for voting purposes.

As of November 30, 2009 and 2008, 4,484,008 and 4,499,511, respectively, of Treasury shares were held by the Group. The Group also held 1,121,002 and 1,124,877 of Founder's shares.

Legal Reserve

Each year at least one-twentieth of the net profits must be allocated to the creation of a reserve; this allocation ceases to be compulsory when the reserve has reached an amount equal to one-tenth of the corporate capital, but shall again be compulsory if the reserve falls below such one-tenth.

The legal reserve may be satisfied by allocation of the required amount at the issuance of shares or by a transfer from paid-in surplus. The legal reserve is not available for dividends. The legal reserve for all outstanding Common shares has been satisfied and appropriate allocations are made to the legal reserve account at the time of each issuance of new shares.

At November 30, 2009, this legal reserve amounted to $6.6 million based on Common shares issued as of that date. This amount is included in Retained Earnings.

Capital 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. 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 or sell assets to reduce debt.

The Group monitors capital on the basis of debt to tangible net worth. This is calculated as short-term and long-term debt divided by Shareholders' equity less intangible assets.

27. Restrictions on Payment of Dividends

Under Luxembourg law, dividends cannot be paid unless interim accounts indicate that there are sufficient funds available.

Final dividends are approved by the shareholders once per year at the annual general meeting; both advance and final dividends can be paid out of any SNSA earnings, retained or current, as well as paid-in surplus, subject to shareholder approval.

28. 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. Such option grants have been 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.

28. Share-Based Compensation (Continued)

Share options were issued at the current market price of SNSA shares on the date of the grant. The grant date was the date on which the Compensation Committee approved the grant.

All Class B shares issued in connection with the exercise of options will immediately convert to Common shares upon issuance. 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 ten 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 year ended November 30, 2009 and 2008 was $1.5 million and $2.9 million, respectively.

The following table reflects activity under the Plan for the years ended November 30, 2009 and 2008:

For the years ended November 30,	Shares	2009 Weighted Average Exercise Price	Shares	2008 Weighted Average Exercise Price
Common share options				
Outstanding at beginning of year	1,656,722	$ 24.54	1,810,404	$ 24.09
Exercised	(12,303)	6.85	(79,422)	13.49
Forfeited	(4,550)	10.56	(74,260)	25.33
Expired	—	—	—	—
Outstanding at end of year	1,639,869	$ 24.71	1,656,722	$ 24.54
Exercisable at end of year	1,297,625	$ 23.27	996,691	$ 21.01
Weighted average share price at date options exercised		$ 10.41		$ 26.36

For the years ended November 30,	Shares	2009 Weighted Average Exercise Price	Shares	2008 Weighted Average Exercise Price
Class B options				
Outstanding at beginning of year	89,008	$ 13.93	94,958	$ 14.17
Exercised	(3,200)	9.88	(1,300)	14.75
Forfeited	—	—	(3,600)	18.87
Expired	(11,200)	9.88	(1,050)	17.50
Outstanding at end of year	74,608	$ 14.71	89,008	$ 13.93
Exercisable at end of year	74,608	$ 14.71	89,008	$ 13.93
Weighted average share price at date options exercised		$ 10.85		$ 17.46

28. Share-Based Compensation (Continued)

The following table summarises information about share options outstanding as of November 30, 2009:

	Options Outstanding		
Exercise prices	**Number Outstanding**	**Remaining Contractual Life (years)**	**Number Exercisable**
Common share options:			
$5.90	93,243	3.04	93,243
$7.33	205,307	4.02	205,307
$13.10	70,169	2.02	70,169
$26.41	370,175	5.02	370,175
$28.90	468,000	7.11	234,000
$32.96	432,975	6.13	324,731
	1,639,869	5.54	1,297,625
Class B options:			
$14.63	22,875	0.01	22,875
$14.75	51,733	1.05	51,733
	74,608	0.73	74,608

29. Earnings per Common Share

The following is a reconciliation of the numerator and denominator of the basic and diluted EPS computations:

	For the years ended November 30,	
	2009	**2008**
	(in thousands, except per share data)	
Net profit attributable to equity holders of SNSA	**$ 95,233**	$ 177,679
Less: Dividends on Founder's shares	**(75)**	(150)
Net profit attributable to Common shareholders	**$ 95,158**	$ 177,529
Basic weighted average shares outstanding	**59,647**	59,623
Dilutive effect of share options	**129**	211
Diluted weighted average shares outstanding	**59,776**	59,834
Basic profit per share	**$ 1.60**	$ 2.98
Diluted profit per share	**$ 1.59**	$ 2.97

Outstanding share options to purchase 1,420,677 shares and 1,271,150 shares were not included in the computation of diluted EPS for the years ended November 30, 2009 and 2008 respectively, because the net effect of these share options would have been antidilutive.

30. Derivative Assets and Liabilities

	November 30, 2009		November 30, 2008	
	Assets	Liabilities	Assets	Liabilities
	(in thousands)			
Current portion:				
Interest rate swaps – cash flow hedges	$ —	$ 9,074	$ —	$ 4,791
Foreign currency exchange contracts – cash flow hedges	8,815	821	23	8,295
Bunker purchase contracts – cash flow hedges	3,048	—	—	63,678
	11,863	9,895	23	76,764
Non-current portion:				
Interest rate swaps – cash flow hedges	1,276	12,220	—	13,822
Foreign currency exchange contracts – cash flow hedges	—	—	—	1,187
Bunker purchase contracts – cash flow hedges	—	—	—	59
	1,276	12,220	—	15,068
	$ 13,139	$ 22,115	$ 23	$ 91,832

All of the Group's derivative activities are financial instruments not traded on a stock exchange and 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, and commodity contracts and interest rate swaps, which subject the Group to a minimum level of counter-party 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 total gain recognised in equity for derivatives was $87.4 million for the year ended November 30, 2009 and the total loss was $79.5 million for the year ended November 30, 2008. At November 30, 2009, there are accumulated deferred income taxes included in the Hedging reserve of $6.9 million.

Foreign Currency

The following foreign exchange contracts, maturing through November 24, 2010, were outstanding as of November 30, 2009:

	Purchase (in local currency, thousands)
Norwegian Kroner	108,000
Euro	23,000
Singapore Dollar	36,000
Chinese Renminbi	56,000
British Sterling	11,400

The U.S. dollar equivalent of the currencies which the Group had contracted to purchase was $99.2 million as of November 30, 2009.

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.

30. Derivative Assets and Liabilities (Continued)

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 year ended November 30, 2009, $0.9 million of net unrealised loss was reclassified from the hedging reserve into earnings. In 2010, $8.8 million of net unrealised gain included in hedging reserve will be reclassified in earnings.

Bunker Purchases Contracts

In addition, the Group entered into futures contracts to hedge a portion of its future bunker purchases for $4.8 million and $109.3 million as of November 30, 2009 and 2008, respectively. These derivatives have been designated as cash flow hedges. For the years ended November 30, 2009 and 2008 $46.2 million and $0.7 million, respectively, was recognised in Operating expense.

Interest Rate Swaps

The Group entered into interest rate swaps with notional values of $407.9 million and $169.0 million as of November 30, 2009 and 2008, respectively. For the years ended November 30, 2009 and 2008 $7.4 million and $3.3 million, respectively, was recognised in Finance expense.

Of the total, none was reclassified in earnings for the ineffective portion of all derivative instruments for the years ended November 30, 2009 and 2008.

31. Financial Instruments and Risk Factors

Financial Risk Factors

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 co-operation 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.

31. Financial Instruments and Risk Factors (Continued)

Fair Value of Financial Instruments

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

As of November 30,	2009 Carrying Amount	2009 Fair Value	2008 Carrying Amount	2008 Fair Value
		(in thousands)		
Financial Assets:				
Cash and cash equivalents	**$ 38,459**	**$ 38,459**	$ 34,257	$ 34,257
Receivables	**147,626**	**147,626**	185,285	185,285
Financial Liabilities:				
Accounts payables	**59,601**	**59,601**	61,721	61,721
Accrued expenses	**190,696**	**190,696**	208,356	208,356
Dividend payable	**29,900**	**29,900**	29,892	29,892
Short-term bank loans	**355,900**	**355,900**	475,555	475,555
Long-term debt and finance leases including current maturities, net of debt issuance costs	**924,507**	**795,167**	800,257	813,093
Derivative Financial Instruments:				
Foreign exchange forward contracts assets	**8,815**	**8,815**	23	23
Foreign exchange forward contracts liabilities	**(821)**	**(821)**	(9,482)	(9,482)
Interest rate swap asset	**1,276**	**1,276**	—	—
Interest rate swap liability	**(21,294)**	**(21,294)**	(18,613)	(18,613)
Bunker hedge contract assets	**3,048**	**3,048**	—	—
Bunker hedge contract liabilities	—	—	(63,737)	(63,737)

The carrying amount of cash and cash equivalents, receivables, accounts payable, accrued liabilities, 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 long-term debt is based on interest rates as of November 30, 2009 and 2008, using debt instruments of similar risk and maturities. The fair values of the Group's foreign exchange and bunker contracts are based on their estimated market values as of November 30, 2009 and 2008.

Market value of interest rate swaps was estimated based on the amount the Group would receive or pay to terminate its agreements as of November 30, 2009 and 2008.

Maturity of Financial Liabilities

For the Year Ended November 30, 2009	Less than 1 yr	2-3 yrs	4-5 yrs	More than 5 yrs	Total
			(in thousands)		
Contractual obligations:					
Accounts payable	$ 59,601	$ —	$ —	$ —	$ 59,601
Accrued expenses	221,196	—	—	—	221,196
Short-term loans	355,900	—	—	—	355,900
Long-term debt and finance leases	86,260	206,807	255,321	394,942	943,330
Interest on long-term debt and finance leases	31,722	50,699	37,344	42,140	161,905
Derivative financial liabilities	9,895	9,470	2,750	—	22,115
Total contractual obligations	$ 764,574	$ 266,976	$ 295,415	$ 437,082	$1,764,047

31. Financial Instruments and Risk Factors (Continued)

For the Year Ended November 30, 2008	Less than 1 yr	2-3 yrs	4-5 yrs	More than 5 yrs	Total
			(in thousands)		
Contractual obligations:					
Accounts payable	$ 61,721	$ —	$ —	$ —	$ 61,721
Accrued expenses	238,248	—	—	—	238,248
Short-term loans	475,555	—	—	—	475,555
Long-term debt and finance leases	67,374	162,224	177,855	411,791	819,244
Interest on long-term debt and finance leases	40,500	75,900	55,500	60,800	232,700
Derivative financial liabilities	76,764	6,424	6,067	2,577	91,832
Total contractual obligations	$ 960,162	$ 244,548	$ 239,422	$ 475,168	$1,919,300

Long-term debt in the table above excludes debt issuance costs of $18.8 million and $19.0 million for the years ended November 30, 2009 and 2008, respectively.

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 $147.6 million. The Group regularly reviews its accounts receivable and establishes an allowance for uncollectible amounts. The majority of trade receivables are in U.S. dollars.

An analysis of the age of trade receivables that are past due is as follows:

November 30, 2009	Not Impaired	Impaired
	(in thousands)	
Up to 30 days past due	$ 40,716	$ 2,000
31 to 60 days past due	5,994	1,750
61 to 90 days past due	1,000	2,401
Greater than 91 days past due	1,888	12,059
	$ 49,598	$ 18,210

November 30, 2008	Not Impaired	Impaired
	(in thousands)	
Up to 30 days past due	$ 33,078	$ 1,232
31 to 60 days past due	6,210	383
61 to 90 days past due	2,958	365
Greater than 91 days past due	4,174	8,920
	$ 46,420	$ 10,900

No collateral is held on impaired accounts receivable.

31. Financial Instruments and Risk Factors (Continued)

The allowance for doubtful accounts changed as follows:

	As of November 30, 2009	As of November 30, 2008
	(in thousands)	
Balance at the beginning of the year	**$ 13,410**	$ 9,982
Charged against revenue	**2,888**	3,879
Accounts written off	**(3,575)**	(301)
Other	**(295)**	(150)
	$ 12,428	$ 13,410

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, 2009.

Market Risk

The Group is exposed to market risk, including changes in interest rates, currency exchange rates 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 modeling 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, 2009, 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 $1.2 million from adverse changes in foreign exchange rates. Our maximum potential one-day loss in fair value for adverse changes in interest rate and bunker fuel prices, given a 95% confidence level, would be $0.3 million and $0.2 million, respectively. 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 our 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, 2009	VAR As of November 30, 2008
	(in millions)	
Foreign currency exchange rates	**1.2**	1.0
Interest rates	**0.3**	0.9
Bunker fuel rates	**0.2**	4.2

The change in the VAR, in connection with foreign exchange rates, interest rates and bunker fuel rates, is attributable to market volatility.

31. Financial Instruments and Risk Factors (Continued)

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 19) 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.

32. Reconciliation of Net Profit to Cash Generated from Continuing Operations

	For the years ended November 30,	
	2009	2008
	(in thousands)	
Net profit	**$ 95,526**	$ 177,338
Adjustments to reconcile net profit to net cash from operating activities:		
Depreciation of property, plant and equipment	**133,966**	121,839
Amortization of other intangible assets	**2,714**	1,382
Amortization of debt issuance costs	**2,427**	1,381
Net periodic benefit costs of defined benefit pension plans	**5,188**	6,454
Provisions for reserves and deferred taxes	**1,749**	2,347
Share of profit of joint ventures and associates	**(19,748)**	(21,205)
Fair value adjustment on biological assets	**565**	11,471
Foreign currency related gains	**(2,438)**	(13,253)
Gain on disposal of assets, net	**(439)**	(13,784)
Share-based compensation expense	**1,493**	2,876
Changes in assets and liabilities, net of effect of acquisitions and divestitures:		
Decrease (increase) in trade receivables	**61,390**	(32,453)
Decrease (increase) in inventories	**640**	(3,162)
Increase in biological assets	**(918)**	(545)
Decrease (increase) in prepaid expenses and other current assets	**14,442**	(20,933)
(Decrease) increase in accounts payable and other current liabilities	**(3,958)**	9,726
Contributions to defined benefit pension plans	**(12,605)**	(24,003)
Dividends from joint ventures	**1,010**	755
Other, net	**(4,761)**	(3,933)
Cash generated from operations	**$ 276,243**	$ 202,298

Analysis of Net Debt

Net debt at November 30, 2009 comprises cash and cash equivalents of $38.5 million (2008: $34.3 million), short-term bank loans of $355.9 million (2008: $475.6 million) and long-term debt and finance leases, including current maturities of $924.5 million (2008: $800.3 million) as disclosed in Notes 19 and 20.

	At December 1, 2008	Cash Flow	Exchange Differences	Other Movements	At November 30, 2009
			(in thousands)		
Cash deposits	$ 30,141	$ (7,302)	$ 4,110	$ —	$ 26,949
Other short term deposits	4,116	7,394	—	—	11,510
Cash and cash equivalents	34,257	92	4,110	—	38,459
Borrowings:					
Short term bank loans	(475,555)	122,362	(2,710)	3	(355,900)
Long term debt, including current maturities	(790,669)	(123,999)	—	(4,857)	(919,525)
Finance lease obligations	(9,588)	6,204	(783)	(815)	(4,982)
Net debt	**$ (1,241,555)**	**$ 4,659**	**$ 617**	**$ (5,669)**	**$ (1,241,948)**

Short-term deposits included within cash and cash expenses relate to term deposits repayable within three months.

Other non cash movements in net debt primarily represent finance lease additions of $0.8 million, capitalisation of interest to debt of $2.5 million and $2.4 million amortisation of debt issuance costs.

33. Business Combinations

Acquisition of Taby Group

The Group acquired 100% of the tank container operations of Taby Group with effect as of October 1, 2008. The initial purchase consideration was $60.5 million. In 2009, there was $1.3 million reduction in the cash paid to the sellers as additional review of the Taby Group assets and liabilities resulted in the fair value of the net assets acquired being adjusted downward.

Details of the purchase consideration, fair value of net assets acquired and goodwill are as follows:

	Provisional	Adjustment	Final
		(in thousands)	
Cash paid to sellers	$ 50,487	$ (816)	$ 49,671
Cash paid on foreign currency hedge	4,202	—	4,202
Additional purchase consideration for earnings for nine months ended September 30, 2008 paid in 2009	4,993	(451)	4,542
Direct costs relating to the acquisition	780	—	780
Total purchase consideration	60,462	(1,267)	59,195
Fair value of net assets acquired	41,037	(1,267)	39,770
Goodwill	**$ 19,425**	**$ —**	**$ 19,425**

33. Business Combinations (continued)

The amounts presented in the following table detail the original recognised values, the adjustments and the final values on the acquisition.

	Original Values	Adjustments	Final Values
		(in thousands)	
Cash and cash equivalents	$ 17,869	$ —	$ 17,869
Receivables	18,517	(510)	18,007
Property, plant and equipment	39,137	(949)	38,188
Intangible assets (trademark and customer rights)	10,294	—	10,294
Other current and non current assets	1,948	—	1,948
Interest bearing loans, finance leases and borrowings	(9,788)	—	(9,788)
Deferred tax payable	(7,218)	—	(7,218)
Other current and non current liabilities	(29,722)	192	(29,530)
Net identifiable assets	41,037	(1,267)	39,770
Goodwill	19,425	—	19,425
Net assets acquired	**$ 60,462**	**$ (1,267)**	**$ 59,195**

34. Subsequent Events

On December 1, 2009, the Group drew down $36.0 million in its final tranche of the Danish Ship Finance A/S top-off facility which is secured by eight currently owned ships. The tranche has a maturity of ten years after the draw down date.

On December 15, 2009, Christer Olsson, a Director of SNSA since 1993, has been nominated Chairman of the Board of SNSA. He succeeded Jacob Stolt-Nielsen, who founded the Company and served as it Chairman since 1959. Mr. Stolt-Nielsen will continue to serve as a director of the SNSA Board.

On December 22, 2009, the Group entered into an agreement to sell for market price one of two Bitumen tankers that is currently in the process of being built.

On December 12, 2009, the Group took delivery of the *Stolt Grønland*. On December 23, 2009, the Group drew down $62.5 million on the Eksportfinans ASA and DnB Nor Bank ASA facility upon the delivery of the ship.

On December 23, 2009, the Group purchased the *Stolt Voyager* (previously the *Samho Prince*) for $6.8 million.

On January 11, 2010, the Group announced that it had reached an agreement with SLS to purchase four 44,000 dwt coated ships previously ordered in June 2005. See additional discussion of the agreement in Note 24.

Certain of the Group’s credit facilities require an annual valuation of the ships used as loan collateral. In January 2010, the annual valuation for one such credit facility was performed. Based upon broker valuations, the maximum available facility amount has been reduced by approximately $45.1 million.

STOLT-NIELSEN S.A.

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the consolidated financial statements for the period December 1, 2008 to November 30, 2009 have been prepared in accordance with IFRS as adopted by the European Union and gives a true and fair view of the Group's assets, liabilities, financial position and profit as a whole. We also confirm, to the best of our knowledge, that the Financial Review and the Business Review includes 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 major related party transactions.

London
February 1, 2010

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 S.A.

SOCIETE ANONYME HOLDING
AUDITED ANNUAL ACCOUNTS
AS AT NOVEMBER 30, 2009

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STOLT-NIELSEN S.A.
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Independent Auditor's report

To the Shareholders of
Stolt-Nielsen S.A.

Report on the annual accounts

We have audited the accompanying annual accounts of Stolt-Nielsen S.A., which comprise the balance sheet as at November 30, 2009, the profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory notes.

Board of Directors responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the "Institut des Réviseurs d'Entreprises". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these annual accounts give a true and fair view of the financial position of Stolt-Nielsen S.A. as of November 30, 2009, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Report on other legal and regulatory requirements

The consolidated management report, which is the responsibility of the Board of Directors and is comprised of the Financial Review and Business Review, is in accordance with the annual accounts.

Luxembourg, February 1, 2010

PricewaterhouseCoopers S.à r.l.
Réviseur d'entreprises
Represented by

Laurence Demelenne

STOLT-NIELSEN S.A.

Balance sheet as at November 30, 2009
(In US Dollars)

	Note(s)	2009 USD	2008 USD
ASSETS			
Fixed assets			
Shares in affiliated undertakings	3	**528,907,359**	498,931,410
Current assets			
Amount owed by affiliated undertakings becoming due and payable after more than one year	4	**3,606,048**	295,802,108
Cash at bank		**13,278**	23,174
		3,619,326	295,825,282
Total assets		**532,526,685**	**794,756,692**

The accompanying notes form an integral part of these accounts.

STOLT-NIELSEN S.A.

Balance sheet as at November 30, 2009
(In US Dollars)

	Note(s)	2009 USD	2008 USD
LIABILITIES			
Capital and reserves			
Subscribed capital, stated value $1	5	**64,133,796**	64,133,796
Share premium	8	**384,337,585**	384,337,585
Legal reserve	9	**6,613,032**	6,613,032
Profit / loss brought forward	6	**1,535,433**	(30,567,502)
Profit for financial year	6	**32,150,000**	64,250,000
Interim dividend	6,7	**(32,147,065)**	(32,147,065)
		456,622,781	456,619,846
Creditors			
Amount owed to affiliated undertaking becoming due and payable after more than one year	4	**43,572,827**	305,791,334
Tax debts	11	**187,178**	195,612
Other creditors	10	**32,143,899**	32,149,900
		75,903,904	338,136,846
Total Liabilities		**532,526,685**	**794,756,692**

The accompanying notes form an integral part of these accounts.

STOLT-NIELSEN S.A.

Profit and loss account for the year ended November 30, 2009
(In US Dollars)

	Note(s)	2009 USD	2008 USD
CHARGES			
Other operating charges	13	**778,400**	788,951
Other interest payable and similar charge		—	2,975
Income tax	11	**163,528**	216,360
Profit for the financial year	6	**32,150,000**	64,250,000
Total charges		**33,091,928**	**65,258,286**

The accompanying notes form an integral part of these accounts.

STOLT-NIELSEN S.A.

Profit and loss account for the year ended November 30, 2009
(In US Dollars)

	2009 USD	2008 USD
INCOME		
Income from participating interests derived from affiliated undertakings	**32,150,000**	64,250,000
Other income	**934,805**	1,008,176
Other interest receivable and similar income	**7,123**	110
Total Income	**33,091,928**	**65,258,286**

The accompanying notes form an integral part of these accounts.

1. CORPORATE STRUCTURE AND MANAGEMENT

Stolt-Nielsen S.A. ("SNSA" or the "Company") is a holding company incorporated in Luxembourg on July 5, 1974. The registered address of the Company is 412F, route d' Esch, L-2086 Luxembourg.

The object of the Company is the participation in any manner in all commercial, industrial, financial and other enterprises of Luxembourg 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 Luxembourg Holding Company Law of 1929. The special fiscal regime applicable to 1929 holding companies is maintained for a transitional period until December 31, 2010 according to conditions defined by the Law of December 22, 2006.

During the fiscal years ended November 30, 2009 and November 30, 2008, the Company held 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 in the group. The Company also commenced its operations in the transportation of Liquefied Petroleum Gas through its subsidiary, Stolt-Nielsen Gas Limited.

The Company keeps its books and records in US dollars ("USD").

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, which are published according to the provision of the law.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements.

Shares in affiliated undertakings

The Company accounts for its shares in affiliated undertakings at historical cost. At each reporting date shares in affiliated undertakings are assessed for an indication of impairment. As the shares in affiliated undertakings 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, 2009 and 2008, no indication of impairment was discovered.

Debtors and creditors

Debtors and creditors are valued at their nominal values. Debtors are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Translation of foreign currencies

All transactions denominated in another currency than USD are booked in USD on the following basis:

- The acquisition cost of financial fixed assets is translated at historical exchange rates;
- All other assets are valued individually at the lower of their countervalues translated at their historical exchange rate or exchange rate prevailing at the balance sheet date;
- All liabilities are valued individually at the higher of their countervalues translated at their historical exchange rate or exchange rate prevailing at the balance sheet date;

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Revenues and expenses are translated at the exchange rates applicable on the day they are collected or disbursed. Consequently, only realised exchange gains and losses and unrealised losses are reflected in the profit and loss account.

3. SHARES IN AFFILIATED UNDERTAKINGS

The addition made during the year relates to additional investment in Stolt-Nielsen Gas Limited.

Undertakings in which the Company holds at least 20% in their share capital are as follows:

Undertakings Name (Legal Form)	Registered Office	Ownership %	Net Book Value at the Beginning of the Year	Additions/ (deductions)	Net Book Value at the End of the Year	Value Owned in Net Equity	Profit or (Loss) of the Last Financial Year
Stolt-Nielsen Limited	Bermuda	100%	$ 16,556	$ —	$ 16,556	$ (80,295,866)	$ 7,657,146
Stolt-Nielsen Transportation Group Limited (formerly Stolt Parcel Tankers, Inc.)	Liberia	100%	315,695,541	—	315,695,541	1,186,736,362	95,251,274
Stolt-Nielsen Gas Limited	Bermuda	94%	24,051	29,975,949	30,000,000	24,516,863	(1,879,274)
Stolt-Nielsen Investment NV	Netherlands	100%	43,705,492	—	43,705,492	61,030,973	(13,251)
Stolt Tankers Holdings Limited	Bermuda	100%	139,489,770	—	139,489,770	135,854,680	9,910,796
			$ 498,931,410	$ 29,975,949	$ 528,907,359	$ 1,327,843,012	$ 110,926,691

Although certain subsidiaries within the group have deficits in shareholders' equity, the assets of other subsidiaries in the group are available to meet these obligations. In the opinion of the Directors, there is no permanent impairment in the carrying value of the above investments.

4. AMOUNTS DUE TO AND FROM SUBSIDIARIES

The classification of receivables from, and payables to subsidiaries at November 30, 2009 was based upon management's estimate of the dates of settlement of these accounts. All of these balances have maturity dates within five years. During the current year, amounts due to and from subsidiaries were settled with their counterparties.

5. CAPITAL STOCK AND FOUNDER'S SHARES

	2009	2008
Founder's shares, no par value		
Shares authorised	16,250,000	16,250,000
Shares issued	16,033,449	16,033,449
Treasury shares	1,121,002	1,124,877
Common shares, stated $1		
Shares authorised	65,000,000	65,000,000
Shares issued (fully paid)	64,133,796	64,133,796
Treasury shares	4,484,008	4,499,511

Under the Luxembourg Company Law, Founder's shares are not considered as representing capital of the Company.

5. CAPITAL STOCK AND FOUNDER'S SHARES (Continued)

Share capital

In addition to the authorised Common shares and Founder's shares of the Company set forth above, an additional 1,500,000 Class B shares, no par value, have been authorised for the sole purpose of the issuance of options granted under the Company's existing share option plans, and may not be used for any other purpose. The rights, preferences and priorities of such Class B shares are set forth in the Articles of Incorporation.

All such Class B shares convert to Common shares immediately upon issuance. Such authorised Class B shares and all of the rights relating thereto expire, without further action, on December 31, 2010. 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 Articles of Incorporation, 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 Articles also set forth the priorities to be applied to each of the Common and Founder's shares in the event of a liquidation.

Share option plan

The Group has a 1997 Share Option Plan (the "1997 Plan") covering 5,180,000 Common shares. No further grants will be issued under Plan as it expired in 2007, although options granted prior thereto continue to be exercisable in accordance with their stated terms. Such option grants have been 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 SNSA stock on the date of the grant. The grant date was the date on which the Compensation Committee approved the grant.

Options granted under both plans 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 ten 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.

As at November 30, 2009, options outstanding represented 1,714,477 Common shares (2008 – 1,745,730).

Common share options

	Options Outstanding		Options Exercisable	
Range of Exercise Prices USD	Number Outstanding at November 30, 2009	2009 Weighted Average Exercise Price	Number Exercisable at November 30, 2009	Weighted Average Exercise Price
$5.90 - $32.96	1,639,869	$24.71	1,297,625	$23.27

5. CAPITAL STOCK AND FOUNDER'S SHARES (Continued)

Class B options

	Options Outstanding		Options Exercisable	
Range of Exercise Prices USD	Number Outstanding at November 30, 2009	2009 Weighted Average Exercise Price	Number Exercisable at November 30, 2009	Weighted Average Exercise Price
$14.63 - $14.75	74,608	$14.71	74,608	$14.71

Treasury shares

As of November 30, 2009, Stolt-Nielsen Transportation Group Limited (“SNTG”) held 4,484,008 Common shares at a nominal value of $130.9 million (2008 – 4,499,511 and $131.3 million), representing 7.0% of total issued share capital (2008 – 7.0%) and 1,121,002 of Founders shares (2008– 1,124,877).

All Common shares purchased and disposed always include an equivalent amount of Founder’s shares to ensure the number of Founder’s shares constitute 20% of all outstanding voting shares (Common shares and Founder’s shares).

During 2009, SNTG disposed (satisfying share options exercised) of 15,503 Common shares and 3,875 Founder’s shares (2008 – 80,722 and 20,181) receiving total proceeds of $0.2 million (2008 - $1.1 million).

Share listings

The Common shares are listed in Norway on the Oslo Børs. The Common shares also previously traded in the form of American Depositary Shares (“ADS”) (each ADS representing one Common share) in the US on Nasdaq.

On May 28, 2008, the Company voluntarily filed a Form 15-F with the United States Securities and Exchange Commission (the “SEC”) to deregister and terminate its reporting obligations under the Securities and Exchange Act of 1934, as amended (the “Exchange Act”). The deregistration became effective from August 26, 2008.

6. MOVEMENTS FOR THE YEAR ON THE RESERVE AND PROFIT/LOSS ITEMS

Movements for the year are as follows:

	Subscribed Capital	Share Premium	Legal Reserve	Profit/Loss Brought Forward	Profit for the Financial Year	Interim Dividend
Balance as at December 1, 2008 . . .	$ 64,133,796	$ 384,337,585	$ 6,613,032	$ (30,567,502)	$ 64,250,000	$ (32,147,065)
Allocation of prior year profit	—	—	—	64,250,000	(64,250,000)	—
Payment of dividends (2008 interim)	—	—	—	(32,147,065)	—	32,147,065
Interim dividend for the year.	—	—	—	—	—	(32,147,065)
Profit for the year	—	—	—	—	32,150,000	—
Balance as at November 30, 2009 . .	$ 64,133,796	$ 384,337,585	$ 6,613,032	$ 1,535,433	$ 32,150,000	$ (32,147,065)

7. INTERIM DIVIDEND

In November 2009, the Board of Directors of the Company declared an interim dividend of $0.50 per Common share and $0.005 per Founder’s share which was paid on December 9, 2009 to all shareholders on record as of November 25, 2009. The total gross amount of the dividend was $32.1 million, which was classified as an interim dividend.

Under Luxembourg law, interim dividends cannot be paid unless interim accounts indicate that there are sufficient funds available, as verified by the Company’s independent auditors. The decision of the board of directors to distribute an interim dividend may not be taken more than two months after the date at which the interim accounts have been prepared.

Final dividends are approved by the shareholders once per year at the annual general meeting; both advance and final dividends can be paid out of any SNSA earnings, retained or current, as well as the shared premium account, subject to shareholder approval.

8. SHARE PREMIUM ACCOUNT

The Share Premium account consists of amounts received for shares issued in excess of nominal amounts, reduced by amounts paid out as dividend.

9. LEGAL RESERVE

Under Luxembourg law, the Company is required to allocate 5% of its annual net income to a legal reserve until that reserve amounts to 10% of the issued stated capital of the Company. Alternatively, this legal reserve requirement may be satisfied by a transfer from the shared premium account. As of November 30, 2009 and 2008, the Company's legal reserve was fully satisfied.

The Company has provided that, at each time additional Common shares are issued in the future, including those resulting from the exercise of share options, an amount equal to 10% of the stated capital of such new Common shares will immediately be allocated to the legal reserve. This legal reserve is not available for dividend distribution.

10. OTHER CREDITORS

The balance of other creditors as at November 30, 2009 mainly relates to the 2009 interim dividend of $32.1 million.

11. TAXES

The Company has elected to be taxed as a billionaire holding company and is subject to a variable tax rate, which is based on certain interest expense, dividends and certain compensation paid to non-residents during the period. The tax is calculated as follows:

Where the total interest paid each year to bondholders and on other comparable securities amounts to or exceeds €2,400,000:

- 3% on interests paid to bond and other security-holders;
- 1.8% on dividends, profit quotas and remuneration on the first €1,200,000;
- 0.1% charge levied on any surplus dividends, profit quotas and remuneration.

Where the total interest paid each year to bondholders and on other comparable securities is less than €2,400,000:

- 3% on interests paid to bond and other security-holders;
- 3% on dividends, profit quotas and remuneration, but to a maximum amount corresponding to the difference between €2,400,000 and the total interest paid to bondholders and on other comparable negotiable securities;
- 1.8% on any surplus dividends, profit quotas and remuneration up to €1,200,000 distributed;
- 0.1% on surplus dividends, profit quotas and remuneration.

11. TAXES (Continued)

Billionaire holding companies are subject to a minimum annual charge of €48,000.

For the fiscal years ended November 30, 2009 and 2008 this tax amounted to $0.2 million and $0.2 million, respectively.

12. COMMITMENTS AND CONTINGENCIES

As of November 30, 2009, the Company has guaranteed substantially all of the $924.5 million in long-term debt obligations of its direct and indirect subsidiaries.

As of November 30, 2009, the Company's subsidiaries and certain of its indirect subsidiaries had various credit lines, including committed lines, payable through 2013 totaling $695.9 million, of which $350.9 million was available for future use. Substantially all of the $355.9 million in short-term bank loans outstanding under these credit facilities, at November 30, 2009, 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.

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, 2009, the total market value of the currencies which these subsidiaries had contracted to purchase pursuant to open foreign exchange contracts maturing through November 2010 was $99.2 million.

13. SUMMARY OF OTHER OPERATING CHARGES

Each non-executive director receives a Board fee and additional fees are paid for audit, compensation and legal committee members.

	For the years ended November 30,	
	2009	2008
	(in thousands)	
Board fees and expenses	$ 560.0	$ 641.2
Professional fees	167.1	110.4
Other costs	51.3	37.4
Total	$ 778.4	$ 789.0
Average number of Directors included	7	7

At the end of 2009 the Board of Directors consists of 6 members.

14. LEGAL PROCEEDINGS

For the matters described below, the Company incurred legal costs and provisions of $7.4 million in 2009 and $15.9 million in 2008, which are included in “Administrative and general expenses” in the consolidated income statements. The Group records provisions for certain legal cases discussed below where it believes the likelihood of losses is probable. Ongoing legal proceedings could have a material adverse effect on the Group’s consolidated financial positions or results of operations in the future.

The Company expects that it will continue to incur additional legal costs until these matters are resolved. During 2009, the Company was involved in a number of antitrust-related legal proceedings which are described below.

14. LEGAL PROCEEDINGS (Continued)

Governmental Antitrust Investigations into the Company's Parcel Tanker Business

In 2002, the Company became aware of information that caused it to undertake an internal investigation regarding potential improper collusive behavior in its parcel tanker and intra-Europe inland barge operations. As a consequence of the internal investigation, the Company voluntarily reported certain conduct to the Antitrust Division (the "Antitrust Division") of the U.S. Department of Justice (the "DOJ") and the Competition Directorate of the European Commission (the "EC"). The DOJ and EC investigations ultimately were concluded without any fines or penalties being imposed against the Company.

On September 30, 2008, the Company announced that it had reached an agreement to resolve an investigation by the Canadian Competition Bureau ("CCB") into the parcel tanker shipping industry. The CCB's inquiry related to a customer list exchange between the Company and a competitor. The Company was not charged with an offence and did not admit to any violations of Canadian competition law. The Company consented to the issuance of a Prohibition Order by the Federal Court of Canada requiring certain ongoing compliance measures with Canadian competition laws. In addition, the Company made a payment of CDN $200,000 dollars toward the cost of the CCB investigation.

The CCB has confirmed that its investigation into the parcel tanker shipping industry remains ongoing. The Company is continuing to cooperate with the CCB. The Company is unable to determine if an unfavorable outcome is probable, is unable to estimate a range of possible losses, and has therefore made no provisions for any fines related to the ongoing Canadian antitrust investigation in the accompanying consolidated financial statements. It is possible that the outcome of this ongoing investigation could result in criminal prosecutions, and if the Company is found guilty, material fines and penalties. Consequently, the outcome of the CCB investigation could have a material adverse effect on the Company's financial condition, cash flows and results of operations.

Antitrust Civil Class Action Litigations and Arbitrations

During 2009 and 2008, there were three putative private antitrust class action lawsuits outstanding against the Company in U.S. federal and state courts for alleged violations of antitrust laws:

1. *Karen Brock, on behalf of herself and all others similarly situated, v. Stolt-Nielsen S.A., Stolt-Nielsen Transportation Group Ltd., Odfjell ASA, Odfjell USA, Inc., Jo Tankers BV, Jo Tankers USA, Inc., Tokyo Marine Co. Ltd and Does 1 through 100 inclusive, No. CGC 04429758 (Superior Court of Cal., County of San Francisco) ("Brock");*
2. *Scott Sutton, on behalf of himself and all others similarly situated in the State of Tennessee v. Stolt-Nielsen S.A., Stolt-Nielsen Transportation Group Ltd., Odfjell ASA, and Odfjell Seachem AS, Odfjell USA Inc., Jo Tankers BV, Jo Tankers USA, Inc., and Tokyo Marine Co. Ltd., No. 28,713-II (Cir. Ct. Cocke County, Tenn.) ("Sutton"); and*
3. *AnimalFeeds International Corp., Inversiones Pesqueras S.A., Central Pacific Protein Corp, and Atlantic Shippers of Texas, Inc., individually and on behalf of all other similarly situated v. Stolt-Nielsen S.A., Stolt-Nielsen Transportation Group Ltd., Odfjell ASA; Odfjell USA Inc., Jo Tankers BV, Jo Tankers USA, Inc., and Tokyo Marine Co. Ltd, 2:03-CV-5002 (E.D. Pa.) ("AnimalFeeds").*

These class actions set forth almost identical claims of collusion and bid rigging in the parcel tanker industry. On behalf of each putative class, the suits seek treble damages in unspecified amounts and allege violations of the Sherman Antitrust Act or various state antitrust and unfair trade practices acts.

In *Brock* and *Sutton*, indirect purchasers of the Company's parcel tanker services claim in state court antitrust class actions that collusion resulted in higher prices being passed on to them. The *Brock* action, which is pending in California state court, continues to be stayed by agreement of the parties. The *Sutton* case, a Tennessee state court action, has been dismissed with prejudice by the court for lack of personal jurisdiction and the time to appeal such dismissal has passed.

14. LEGAL PROCEEDINGS (Continued)

In *AnimalFeeds,* a customer claims on behalf of a putative class that, as a result of the defendants' alleged collusive conduct, it paid higher prices under its contracts with the defendants. As a result of rulings by the U.S. Court of Appeals for the Second Circuit in related, and now terminated, civil court proceedings involving the Company, AnimalFeeds, as a direct purchaser, was required to proceed in arbitration rather than in federal district court.

Before reaching the merits of the *Animalfeeds* case or the certification of an appropriate class, the parties have been litigating whether or not class arbitration is permitted under the relevant contracts. The Second Circuit had determined that the arbitration clauses permit class arbitration of the *Animalfeeds* antitrust claims. The Company has appealed this decision ordering class arbitration to the U.S. Supreme Court, which is reviewing the ruling. Oral arguement occurred on December 9, 2009. The *Animalfeeds* arbitration is stayed pending the Supreme Court's ruling, which is expected in 2010.

The Company is not able to determine if a negative outcome in any of these ongoing actions is probable, is unable to estimate a range of possible losses, and has therefore made no provisions for any of these claims in the accompanying consolidated financial statements. It is possible that the outcomes of any or all of these proceedings could have a material adverse effect on the Company's financial condition, cash flows and results of operations.

Customer Settlements

Since the governmental antitrust investigations began, the Company has engaged in discussions with a number of customers regarding the subject matter of those investigations to resolve existing and potential antitrust claims by such customers. The Company has typically resolved such claims by amending the commercial terms of its agreements with its customers and, in some case, making up-front cash payments or guaranteed payments to customers. In 2009, the Company has made no provisions against operating revenue for any settlement agreements or agreements in principle or offers made to customers.

Federal Securities Class Action Litigation

The Company and four individuals are defendants in a putative civil securities class action claim filed in the U.S. District Court for the District of Connecticut. The complaint alleges that the Company and the other defendants violated U.S. embargo laws, as well as U.S. securities laws, because the Company's public filings failed to disclose that a "material portion" of its revenues resulted from the defendants' violations of U.S. embargo and antitrust laws. In June 2009, the Company finalised a settlement agreement that resolves this litigation. This agreement admits no liability or wrongdoing on the part of the Company or its officers and directors and requires the Company to make payments totaling $2.0 million. The agreement requires, among other things, notice to the class of the proposed terms, and is subject to court approval, which cannot be assured and remains pending. The Company has made a $2.0 million accrual with respect to this settlement agreement.

General

The Company is a party to various other legal proceedings arising in the ordinary course of business. The Company believes that none of those matters will have a material adverse effect on its business or financial condition.

The Company is also involved in arbitration related to certain shipbuilding contracts.

The ultimate outcome of governmental and third-party legal proceedings is inherently difficult to predict. The Company's operations are affected by U.S. and foreign environmental protection laws and regulations. Compliance with such laws and regulations entails considerable expense, including ship modifications and changes in operating procedure.

Due to the uncertainty over the resolution of the matters described above, as of November 30, 2009, the Company had not established any reserves for legal fees and costs related to these proceedings.

15. SUBSEQUENT EVENTS

On December 1, 2009, the Group drew down $36.0 million in its final tranche of the Danish Ship Finance A/S top-off facility which is secured by eight currently owned ships. The tranche has a maturity of ten years after the draw down date.

On December 15, 2009, Christer Olsson, a Director of SNSA since 1993, has been nominated Chairman of the Board of SNSA. He succeeded Jacob Stolt-Nielsen, who founded the Group and served as it Chairman since 1959. Mr. Stolt-Nielsen will continue to serve as a director of the SNSA Board.

On December 22, 2009, the Group entered into an agreement to sell for market price one of two Bitumen tankers that is currently in the process of being built.

On December 12, 2009, the Group took delivery of the *Stolt Grønland*. On December 23, 2009, the Group drew down $62.5 million on the Eksportfinans ASA and DnB Nor Bank ASA facility upon the delivery of the ship.

On December 23, 2009, the Group purchased the *Stolt Voyager* (previously the *Samho Prince*) for $6.8 million.

On January 11, 2010, the Group announced that it had reached an agreement with SLS to purchase four 44,000 dwt coated ships previously ordered in June 2005.

Certain of the Group's credit facilities require an annual valuation of the ships used as collateral for the facility. In January 2010, the valuation for one such credit facility was performed. Based upon broker valuations, the maximum available facility amount has been reduced by approximately $45.1 million since the last valuation.