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DORIC NIMROD AIR TWO LIMITED

Announcement of Asset Manager's Report

2 July 2014

Doric Nimrod Air Two Limited (the "**Company**"), a Guernsey-domiciled company, is pleased to present the quarterly Fact Sheet in respect of the period from 1 April 2014 to 30 June 2014.

Doric GmbH, the Company's Asset Manager, has provided the Company with this commentary on the Company's airplanes and a copy of their report is appended below for the benefit of shareholders.

On the invitation of the directors of the Company, the following commentary has been provided by Doric GmbH as Asset Manager of the Company and is provided without any warranty as to its accuracy and without any liability incurred on the part of the Company, its directors and officers and service providers. The commentary is not intended to constitute, and should not be construed as, investment advice. Potential investors in the Company should seek their own independent financial advice and may not rely on this communication in evaluating the merits of an investment in the Company. The commentary is provided as a source of information for shareholders of the Company but is not attributable to the Company.

QUARTERLY FACT SHEET

DORIC NIMROD AIR TWO LIMITED

LSE: DNA2

CISX: DNA2

The Company

Doric Nimrod Air Two Limited ("the Company") is a Guernsey domiciled company which listed on the Specialist Fund Market of the London Stock Exchange and the Channel Islands Stock Exchange on 14 July 2011 with the admission of 72.5 million Ordinary Shares at an issue price of 200p per share. On 27 March 2012, the Company issued 100,250,000 C Shares at 200p per share. With effect from 6 March 2013 C Shares were converted into Ordinary Shares. One Ordinary Share has been received for every one C Share, resulting in 172,750,000 Ordinary Shares in total. The market capitalisation of the Company was GBP 407.3 million as of 30 June 2014.

The Company has four wholly-owned subsidiaries: MSN077 Limited, MSN090 Limited, MSN105 Limited and Doric Nimrod Air Finance Alpha Limited ("DNAFA").

The Company acquired a total of seven Airbus A380-861 aircraft between October 2011 and November 2012. Each aircraft is leased to Emirates Airline ("Emirates") - the national carrier owned

by the Investment Corporation of Dubai, based in Dubai, United Arab Emirates - for an initial term of 12 years from the point of delivery, with fixed lease rentals for the duration.

In order to complete the purchase of the first three aircraft, MSN077 Limited, MSN090 Limited and MSN105 Limited entered into three separate loans, each of which will be fully amortised with quarterly repayments in arrear over 12 years.

The net proceeds from the C Share issue (“the Equity”) were used to partially fund the purchase of four of the seven Airbus A380s. In order to help fund the acquisition of these final four aircraft, DNAFA issued two tranches of enhanced equipment trust certificates (“the Certificates” or “EETC”) - a form of debt security - in June 2012 in the aggregate face amount of USD 587.5 million. DNAFA used the proceeds from both the Equity and the Certificates to finance the acquisition of four new Airbus A380 aircraft leased to Emirates.

Investment Strategy

The Company’s investment objective is to obtain income returns and a capital return for its shareholders by acquiring, leasing and then selling a portfolio of aircraft. The Company receives income from the lease and its directors are targeting a gross distribution to the shareholders of 4.5 pence per share per quarter (amounting to a yearly distribution of 9.0% based on the initial placing price of 200p per share). It is anticipated that income distributions will continue to be made quarterly.

Company Facts (30 June 2014)

Listing	LSE and CISX
Ticker	DNA2
Share Price	235.75p
Market Capitalisation	GBP 407.3 million
Aircraft Registration Numbers	A6-EDP, A6-EDT, A6-EDX, A6-EDY, A6 EDZ, A6-EEB, A6-EEC
Current/Future Anticipated Dividend	4.5p per quarter (18p per annum)
Dividend Payment Dates	April, July, October, January
Currency	GBP
Launch Date/Price	14 July 2011 / 200p
C Share Issue Date/Price	27 March 2012 / 200p
C Share Conversion Date/Ratio	6 March 2013 / 1:1
Incorporation	Guernsey
Asset Manager	Doric GmbH
Corp & Shareholder Advisor	Nimrod Capital LLP
Administrator	JTC Fund Managers (Guernsey) Ltd
Auditor	Deloitte LLP
Market Makers	Jefferies International Ltd/ Numis Securities Ltd/ Shore Capital Ltd/ Winterflood Securities Ltd
SEDOL, ISIN	B3Z6252, GG00B3Z62522
Year End	31 March
Stocks & Shares ISA	Eligible
Website	www.dnairtwo.com

Asset Manager’s Comment

1. The Assets

In November 2012, the Company had completed the purchase of all seven Airbus A380 aircraft, bearing manufacturer's serial numbers (MSN) 077, 090, 105, 106, 107, 109 and 110. All seven aircraft are leased to Emirates for an initial term of 12 years from the point of delivery with fixed lease rentals for the duration.

The seven A380s owned by the Company recently visited Auckland, Barcelona, London Heathrow, Hong Kong, Melbourne, Munich, Paris, Sydney, Toronto, and Zurich.

Aircraft utilization for the period from delivery of each Airbus A380 until the end of May 2014 was:

MSN	Delivery Date	Flight Hours	Flight Cycles	Average Flight Duration
077	14/10/2011	12,268	1,405	8 h 45 min
090	02/12/2011	10,545	1,790	5 h 55 min
105	01/10/2012	7,215	1,163	6 h 10 min
106	01/10/2012	8,707	984	8 h 50 min
107	12/10/2012	8,468	948	8 h 55 min
109	09/11/2012	6,553	1,063	6 h 10 min
110	30/11/2012	6,515	1,099	5 h 55 min

Maintenance Status

Emirates maintains its A380 aircraft fleet based on a maintenance programme according to which minor maintenance checks are performed every 1,500 flight hours, and more significant maintenance checks (C checks) at the earlier of 24 months or 12,000 flight hour intervals. Emirates bears all costs (including maintenance, repair and insurance) relating to the aircraft during the lifetime of the lease.

Inspections

During the period under review, the asset manager Doric did not undertake any records audits or physical inspections of portfolio's aircraft.

Hairline Cracks

In late 2011, hairline cracks were detected in a small number of L-shaped metal brackets (known as wing rib feet) within the wing structure of some A380s. The aircraft remain fully airworthy and the hairline cracks pose no risk to flight safety as affirmed by the European Aviation Safety Agency (EASA) and Airbus.

As previously reported, EASA released its latest Airworthiness Directive in May 2013, outlining which modifications need to be made and the respective compliance terms. The wing rib feet modification programme for Emirates' aircraft is essentially managed by Airbus. All modification activities will be covered by the applicable manufacturer's warranties. Emirates decided to embody all modifications in one step. The downtime required to incorporate the permanent fix has in some cases been reduced from the originally planned eight weeks down to 51 days. The current schedule for the respective aircraft is as follows:

MSN	Timeline
077	Completed
090	Completed
105	Completed

106	Summer 2 0 1 4
107	In Progress
109	Completed
110	Completed

During the period under review modification works for three aircraft have been completed: MSN 109 on 5 April with ADAT (Abu Dhabi Aircraft Technologies), MSN 110 on 15 April with Ameco (Ameco Beijing) and MSN 105 on 15 May with EFW (Elbe Flugzeugwerke Dresden). Furthermore the Company has been informed from Emirates, that modification works for MSN 107 are scheduled from 26 May to 21 July 2014.

2. Market Overview

From January to April 2014 passenger demand, measured in revenue passenger kilometers (RPKs), expanded by 6.0% compared to the same period the year before. After a strong start to the new year, passenger demand softened for two consecutive months and picked-up again in April, with an increase of 7.5% compared to the corresponding month of the previous year. To some extent the April results were positively biased by the timing of Easter. Between January and April 2014 airlines increased their capacities, measured in available seat kilometers (ASKs), by 5.8%. Overall the growth rate of RPKs exceeded the ASK increase compared to the period the year before.

The average passenger load factor during the first four months of this year was 78.7%. This is an increase of 0.4%-points compared to the same period the year before. From a historic perspective passenger load factors remain stable on a high level. In 2014 worldwide passenger load factors could exceed 80% for the first time in the industry's history. According to the latest traffic forecast released by the International Air Transport Association (IATA) in June 2014, RPKs are expected to grow by 5.9% in 2014 and 6.7% in 2015.

A regional breakdown reveals that the Middle East airlines were once more the best-performing in terms of RPK growth with an increase of 14.2% during the first four months of this year compared to the same period the year before. Second best was Latin America with 7.7%. The Asia/Pacific region grew by 6.9%. Africa slipped into stagnation with zero growth. However, with a market share of only 2.3% the effect on overall figures is very limited. With 30.1% of the worldwide air passenger traffic in April 2014, Asia/Pacific holds the highest market share followed by Europe (27.2%) and North America (25.5%), though due to the significant outperformance of the Middle East, market shares are shifting.

IATA released its latest industry outlook in June 2014 according to which global industry profits are expected to reach USD 18.0 billion in 2014. Jet fuel remains the largest single cost item representing roughly 30% of total operating costs, but airlines all over the world have intensified their efforts to improve fuel efficiency including fleet replacement with new aircraft and better operations. According to IATA airspace and airport inefficiencies waste around 5% of fuel burn each year. Eliminating these inefficiencies could reduce the industry fuel bills by more than USD 10 billion a year and save more than 36 million tonnes of CO₂ emissions.

Source: IATA

3. Lessee – Emirates Key Financials and Outlook

Emirates has announced its 26th consecutive year of profit and company-wide growth for the financial year ended on 31 March 2014, despite competitive pressure and a global economic environment that is only slowly recovering.

Revenue reached a record high of USD 22.5 billion, up by 13% compared to the previous financial year, and continues to be well balanced with no region contributing more than 30%. East Asia and Australasia remained the highest revenue contributing regions with USD 6.5 billion, up 14.1% from 2012/2013. Gulf and Middle East (up 16.6% to USD 2.3 billion), Europe (up 16.3% to USD 6.4 billion) and Africa (up 15.1% to USD 2.1 billion) saw the most significant growth rates, reflecting new destinations as well as increased frequency and capacity to these regions.

The airline posted a net profit of USD 887 million, representing an increase of 43% over last year's results. With a share of nearly 40% fuel remains the largest operating cost category. Compared to last financial year, the average price of jet fuel was slightly lower relieving the carrier's bottom line. Due to the growing fleet Emirates' fuel bill increased by 10% to reach USD 8.4 billion. Total operating costs showed a smaller increase (+11.5%) than the revenues (+13%) in the financial year 2013/2014 resulting in an improved profit margin of 3.9%.

As of 31 March 2014 the balance sheet total amounted to USD 27.7 billion, an increase of 7.2% from the previous year. Total equity increased by 10.6% to USD 6.9 billion with an equity ratio of 25.1%. The current ratio was 0.84; therefore the airline would be able to meet most of its current liabilities by liquidating all of its current assets. Significant items on the liabilities side of the balance sheet included finance leases in the amount of USD 8.6 billion and revenues received in advance from passenger and freight sales (USD 3.1 billion). As of 31 March 2014 the carrier's cash balance reached USD 4.5 billion.

Between April 2013 and March 2014, as compared to the prior financial year, the airline's ASKs increased by 14.6%. Measured in RPKs passenger traffic grew by 14.2%, resulting in an average passenger load factor of 79.4%. This is slightly below the 79.7% reached in the period before. A record 44.5 million passengers flew with Emirates between April 2013 and March 2014 – an increase of 13.1% compared to the previous period.

During the last financial year the airline received 24 widebody aircraft, including 16 Airbus A380s, 6 Boeing 777-300ER and 2 Boeing 777-200LR aircraft. At the Dubai Air Show in November 2013 Emirates signed contracts with Airbus and Boeing for a combined value of USD 99 billion (list prices) consisting of 150 Boeing 777X and another 50 Airbus A380. According to the operator, the first 25 of the additional A380 will come into service before the first quarter of 2018. Deliveries for the 777Xs are scheduled to start in 2020. By that year Emirates expects to have more than 250 widebody aircraft in the air serving some 70 million passengers a year.

The airline is not only heavily investing in new aircraft, but it is also running the world's largest paint hangar owned by an airline. Twice the size of a football field, the facility operates 24 hours a day, seven days a week. Between January and December 2013 Emirates completed 21 "make-overs" comprising paint stripping and repaint of complete aircraft. According to the airline, the first A380 which entered into service in August 2008 will be due for a repaint in 2015.

As of 31 May 2014 Emirates had 208 widebody aircraft in operation, another 13 are parked. The temporary grounding of some aircraft is related to the runway upgrading works at Dubai International Airport. Started on 1 May 2014 Emirates is reducing flights to 41 destinations for an 80 day period. At the same time engineering maintenance and onboard enhancements with the parked fleet is scheduled. It is expected, that the carrier's revenues will be impacted by approx. USD 270 million.

The number of Emirates orders yet to be delivered at the end of May was 222 aircraft. The airline operates the world's largest fleets of Airbus A380 and Boeing 777-300ER aircraft. During the

financial year 2013/2014 Emirates raised USD 3.3 billion in new funding mainly to secure its on-going fleet expansion. The carrier made use of a variety of financing structures to meet its refinancing needs, including a second Enhanced Equipment Trust Certificates (EETCs) emission through a lessor (Doric Nimrod Air Three Ltd.).

With its increased fleet and resources, Emirates launched nine additional destinations during the last financial year. In May 2014 Emirates operated flights to 141 destinations in 80 countries on six continents. During the calendar year 2013 the airline's fleet travelled more than 751 million kilometres, circling the globe over 18,000 times and carrying over 43 million passengers. As of May 2014 the airline operates nearly 3,200 flights per week.

In the current financial year the airline envisages adding at least another five passenger routes including Abuja (Nigeria), Brussels, Chicago, Kano (Nigeria) and Oslo.

In June 2014 Emirates announced the cancellation its order of 70 Airbus A350 which were due for delivery from 2019 onwards.

Source: Ascend, Emirates, Flightglobal

4. Aircraft — A380

As of May 2014 Emirates had a fleet of 48 A380s which currently serve from their Dubai's hub 26 destinations worldwide: Amsterdam, Auckland, Bangkok, Barcelona, Beijing, Brisbane, Hong Kong, Jeddah, Kuala Lumpur, London Gatwick, London Heathrow, Los Angeles, Manchester, Mauritius, Melbourne, Moscow, Munich, New York JFK, Paris, Rome, Seoul, Shanghai, Singapore, Sydney, Toronto and Zurich. During the next months, the carrier's A380 network will be further expanded. Starting in July Kuwait and Mumbai will receive a daily A380 service. Frankfurt (1 September), Dallas (1 October), San Francisco (1 December), and Houston (3 December) will be added in the course of this year.

At the end of May 2014, the global A380 fleet consisted of 132 commercially used planes in service. The current eleven operators are Emirates (48 A380 aircraft), Singapore Airlines (19), Qantas (12), Deutsche Lufthansa (12), Air France (9), Korean Airways (8), China Southern Airlines (5), Malaysia Airlines (6), Thai Airways (6), British Airways (6) and Asiana (1). The delivery of Qatar's first Airbus A380 has been deferred for the second time by some weeks due to ongoing cabin interior works. In June 2014 Japan-based Skymark Airlines announced the deferral of its first delivery originally planned for August 2014 by six months into 2015.

The order book for A380 aircraft has expanded considerably over the last two quarters. In November 2013 Emirates announced at the Dubai Air Show an order for another 50 A380s in addition to the 90 already ordered. In February 2014 widebody leasing company Amedeo firmed up an order of 20 A380s with the aim of leasing these planes on to commercial airlines. This brings the number of undelivered orders to 191 aircraft at the end of May 2014. Qantas, Air France and Virgin Atlantic have announced various postponements from their original delivery dates and Deutsche Lufthansa has cancelled options to buy three aircraft following a fleet planning revision in 2013.

According to Airbus, until May 2014 the worldwide A380 fleet has accumulated around 1.3 million flight hours. The number of passengers flying aboard an Airbus A380 to date is 55 million.

Source: Airbus, Ascend, Emirates, Flightglobal

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