DORIC

NIMROD CAPITAL

QUARTERLY FACT SHEET

31st March 2013

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 14th July 2011 with the admission of 72.5 million Ordinary Shares at an issue price of 200p per share. On March 27th 2012, the Company issued 100,250,000 C Shares at 200p per share. With effect from 6th 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 424 million as of 28th March 2013.

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

The Company has now implemented its objective of acquiring a total of seven Airbus A380-861 aircraft, and leasing them to Emirates, the national carrier owned by the Investment Corporation of Dubai, based in Dubai, United Arab Emirates. Each aircraft is leased for a period of 12 years from the point of delivery.

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 the latest four of the seven Airbus A380s. In order to help fund the acquisition of these final four aircraft, Doric Alpha 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. Doric Alpha used the proceeds from both the Equity and the Certificates to finance the acquisition of four new Airbus A380 aircraft leased to Emirates.

Company Facts (31st March 2013)	
Listing	LSE and CISX
Ticker	DNA2
Share Price	245.5p
Market Capitalisation	GBP 424 million
Aircraft Registration Numbers	A6-EDP, A6-EDT, A6-EDX, A6-EDY, A6-EDZ, A6-EEB, A6-EEC
Current/Future Anticipated Dividend	An interim dividend for the fiscal year ending on 31st March 2013 was paid on 4th February 2013: Ordinary Shares received 4.5p per quarter per share. C Shares received 4.125p per quarter per share. Since all aircraft have now been acquired and leased to Emirates and C Shares have been converted to Ordinary Shares, future dividends are expected to be 4.5p per quarter per share until the aircraft leases terminate.
Dividend Payment Dates	April, July, October, January
Currency	GBP
Launch Date/Price	14th July 2011/200p
C Share Issue Date/Price	27th March 2012/200p
C Share Conversion Date/Ratio	6th March 2013/1:1
Incorporation	Guernsey
Asset Manager	Doric GmbH
Corp & Shareholder Advisor	Nimrod Capital LLP
Administrator	Anson Fund Managers Ltd
Auditor	Deloitte LLP
Market Makers	Shore Capital Ltd/ Winterflood Securities Ltd
SEDOL, ISIN	B3Z6252 , GG00B3Z62522
Year End	31st March
Stocks & Shares ISA	Eligible
Website	www.dnairtwo.com

At the end of December 2012 the Company had acquired all seven aircraft, which were delivered to Emirates on 14th October 2011 (MSN 077), 2nd December 2011 (MSN 090), 1st October 2012 (MSN 105 and MSN 106), 12th October 2012 (MSN 107), 9th November 2012 (MSN 109) and 30th November 2012 (MSN 110).

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 aircraft. The Company has used the net proceeds of placings and other equity capital raisings (including the C Share issue), together with debt facilities or instruments, to acquire Airbus A380 aircraft which are leased to Emirates. The Company is receiving income from the lease rentals paid by Emirates pursuant to the leases. It is anticipated that income distributions will continue to be made quarterly.

On 4th January 2013, a dividend of 4.5p per Ordinary Share was declared and a dividend of 4.125p per C Share was declared. These dividends were paid to holders in early February 2013. Post conversion it is anticipated that the Company will continue to target a distribution equivalent to the pre conversion distribution of 4.5p per share per quarter, equating to 9% per annum on the issue price of all shares.

Asset Manager's Comment

1. The Assets

At the end of December 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.

Amongst its 199 aircraft in operation as of March 2013, Emirates has a fleet of 31 A380s which currently serve 21 destinations worldwide: Amsterdam, Auckland, Bangkok, Beijing, Hong Kong, Jeddah, Kuala Lumpur, London Heathrow, Manchester, Melbourne, Moscow, Munich, New York JFK, Paris, Rome, Seoul, Shanghai, Singapore, Sydney, Toronto and Tokyo. The carrier is the largest A380 operator in the world. By the end of January 2013 its A380 fleet had carried 14 million passengers and flown more than 200 million kilometres on 35,000 flights since the double decker was introduced to its fleet in August 2008. Emirates has an additional 59 aircraft of this type on firm order for delivery through 2017.

The seven A380s owned by the Company recently visited London Heathrow, Manchester, Melbourne, New York JFK, Seoul and Singapore.

Aircraft utilization for the period from delivery of each Airbus A380 until the end of December 2012 is:

Aircraft Utilization

MSN	Delivery Date	Flight Hours	Flight Cycles	Average Flight Duration
077	14/10/2011	6,036	710	8 h 30 min
090	02/12/2011	5,174	906	5 h 45 min
105	01/10/2012	1,249	207	6 h 00 min
106	01/10/2012	1,381	158	8 h 45 min
107	12/10/2012	1,169	145	8 h 00 min
109	09/11/2012	664	114	5 h 50 min
110	30/11/2012	427	79	5 h 25 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) every 24 months or 12,000 flight hours, whichever comes first. The first C check of MSN 077 is likely to occur in October 2013 and the first C check of MSN 090 is likely to occur in December 2013. The asset manager plans to inspect MSN 077 and MSN 090 later in 2013. Emirates bears all costs (including maintenance, repair and insurance) relating to the aircraft during the lifetime of the lease.

Hairline Cracks

Since late 2011, hairline cracks have been detected in a small number of L-shaped metal brackets within the wing structure of some A380s. There are about 2,000 brackets (known as rib-skin attachments or wing rib feet) in each wing, which attach the wing's upper and lower skins to ribs running throughout the wing. The aircraft remains fully airworthy and the hairline cracks pose no risk to flight safety as affirmed by the European Aviation Safety Agency (EASA) and Airbus.

In late June 2012 EASA issued the then latest airworthiness directive (AD) pertaining to wing rib feet cracks on the Airbus A380 aircraft, which specified initial and repeat inspections of A380 aircraft at defined intervals. This included all A380s in operation to be checked for cracks in the brackets that attach the wing's ribs before reaching 1,300 flights.

Based on inspection results, Airbus has developed a permanent fix to wing rib feet cracking during the second half of 2012. A comprehensive test programme included computer simulations of stress levels and practical tests with a dedicated A380 test aircraft (MSN 004). To enable the measurement of the different stress levels during test flights, Airbus modified the left-hand wing, leaving the right-hand wing unmodified. In March 2013 EASA certified the retrofit modification programme and confirmed that modified in-service A380 will preserve their full design service life without further repeat inspections of the wing rib feet. The programme consists of nine Service Bulletins covering different rib modifications in different areas of the wings. These modifications must be incorporated in all in-service A380s during downtime periods of the aircraft. In any case all modifications must be completed before the aircraft reaches six years of age. In April 2013 a further AD is anticipated in connection with the wing rib feet issues, which will instruct A380 operators to implement the retrofit. In addition to the retrofit solution Airbus has developed a modified wing for new aircraft. Full design life certification by EASA is expected by mid-2013. Delivery of the first aircraft with the reworked wing design is expected in early 2014.

Airbus has confirmed that it may take up to eight weeks to incorporate the permanent fix in the A380. Emirates decided to implement the final fix in one step. The current schedule to implement the final fix for the respective aircraft is as follows:

Current Schedule — Implementation of Final Fix	
MSN	**Timeline (preliminary)**
077	Autumn 2013
090	Summer 2013
105	Spring 2014
106	Summer 2014
107	Summer 2014
109	Spring 2014
110	Spring 2014

All seven A380s owned by the Company are not yet close to approaching the threshold of 1,300 flight cycles for the first check and hence not due for inspection. It is anticipated that the wing rib feet inspections will mostly be performed in combination with scheduled maintenance activities for each aircraft.

All the repair work will be covered by the applicable manufacturer's warranties.

2. Market Overview

Between January and December 2012 passenger demand, measured in revenue passenger kilometres (RPKs), expanded by 5.3% compared to the previous calendar year. In its latest Global Market Forecast, published in September 2012, Airbus predicts a compound average annual growth rate of 4.7% for worldwide passenger traffic (in RPKs) until 2031. After a weak performance during the third quarter of 2012 passenger markets have improved significantly since last October. During the four months from October 2012 until the end of January 2013 RPKs grew by an annualized rate of 9%. Increased business confidence, supported by a growing economy in China and a stabilization of the Eurozone crisis, had a positive impact on air transport demand. The regional growth patterns continue to be uneven. During 2012 the Middle East was by far the fastest growing region (+15.2%). Slowest growth was observed in North America with an increase in RPKs of 1.3% compared to the previous year. For the current year the International Air Transport Association (IATA) forecasts a worldwide RPK growth of 5.4%.

An overall solid growth of RPKs coupled with a tight airline capacity management has kept the passenger load factor on a high level. Between January and December 2012 average seat utilization was 79.1%, reaching an all-time high.

Air freight has slightly weakened during 2012. The number of freight-tonne-kilometres (FTKs) from January to December was 1.5% lower than in 2011. During the last quarter of 2012 improving consumer and business confidence in some major economies had pushed air freight demand, mainly from Asia. Based on the latest available figures, FTKs in January 2013 were 5.0% higher compared to the same month of the previous year.

IATA released its latest industry outlook in March 2013 according to which global industry profits are expected to reach USD 10.6 billion this year. This is higher than IATA's December 2012 estimate of USD 8.4 billion and is based on improved economic prospects, higher air travel volumes and a return to growth in freight markets since the beginning of the year. Expenses for jet fuel are expected to remain on a high level, totalling 33% of the airlines' operating costs.

Source: IATA, Airbus

3. Lessee – Emirates Key Financials and Outlook

The aircraft is leased to Emirates for an initial term of 12 years, with fixed lease rentals for the duration.

According to the latest available key financial indicators Emirates increased its revenues by 17% to USD 9.7 billion during the first six months (until September 2012) of the current financial year ending on 31st March 2013. Compared to the same period of the previous year, net profit doubled to USD 464 million.

Notwithstanding the challenging operating environment, Emirates has continued to invest in its infrastructure and significantly increased the number of aircraft. In 2012 the lessee added 33 wide-body aircraft to its fleet, including four freighters. As of 31st March 2013 Emirates has 199 aircraft in operation, with firm orders for another 198 aircraft, including 59 A380s. The airline operates the world's largest fleet of Airbus A380s and Boeing 777-300ER.

With its increased fleet, Emirates has launched 15 destinations in 2012. The first new destinations in 2013 were Warsaw and the Algerian capital Algiers, which were added to the network on 6th February and on 1st March. Further network expansion is planned during the course of the year: In June 2013 Emirates will commence flights to Tokyo International Airport (Haneda Airport), currently ranked the second busiest airport in Asia. In March 2013 Emirates operated flights to 130 destinations in 76 countries on six continents. Depending on the demand of the respective routes, the carrier is constantly adjusting its capacities to meet customer expectations and utilization targets. On the Dubai-Moscow route Emirates increased the number of seats by nearly 50% within three months. After the airline had launched scheduled A380 flights to Domodedovo Airport, it recently upgraded its second daily flight to a Boeing 777-300ER aircraft. Furthermore Emirates will upgrade a daily flight on the Dubai-Sydney route to an Airbus A380, becoming the second daily A380 service flying into the state capital of New South Wales, Australia.

The rapidly expanding fleet allowed a 17.3% increase of available seat kilometres between April and September 2012, as compared to the prior-year period. Measured in RPKs passenger traffic grew by 17.8%. This pushed the average passenger load factor to 80%. About 18.7 million passengers flew with Emirates between April and September 2012 – an increase of 15.4% compared to the previous year.

As a non-listed company, Emirates discloses only selected operational and financial results semi-annually. According to the latest annual report, balance sheet total as per 31st March 2012 was USD 21 billion – an increase of 18% from the previous year. Total equity increased by more than 3% to USD 5.85 billion with an equity ratio of 28%. The current ratio was 0.98; therefore the airline would be able to meet its current liabilities by liquidating all of its current assets. Significant items on the liabilities side of the balance sheet were finance leases in the amount of USD 5.44 billion and revenues received in advance from passenger and freight sales (USD 2.58 billion). As of 30th September 2012 the carrier held a cash position of USD 3.6 billion.

At the beginning of this year, Emirates started the phased launch of Concourse A, the world's first A380-dedicated terminal building at Dubai International Airport. It became fully operational in mid-February 2013. More than 500,000 m^2 of space accommodates facilities to service up to 20 Airbus A380s at a time, increasing the airport's capacity by 15 million passengers a year. The eleven-story glass construction also hosts the largest first class and business class lounges in the world and a dedicated hotel floor. Concourse A is part of a USD 7.8 billion strategic plan by Dubai Airports to increase airport capacity to 90 million passengers by 2018. According to Paul Griffiths, CEO of Dubai Airports, Dubai International aims to become the world's busiest airport for international passenger traffic by the end of 2015. Since Australia's competition authority granted its formal approval to the global aviation partnership between the lessee and Qantas in March 2013, Emirates and the Australian flag carrier make exclusive use of Concourse A.

Source: Emirates

4. Aircraft – A380

On 14th March 2013 the A380 programme reached a further milestone: The 100th aircraft was delivered to Malaysia Airlines. At the end of March 2013, the global A380 fleet consisted of 101 planes that were in service with nine operators: Emirates (31 A380 aircraft), Singapore Airlines (19), Qantas (12), Deutsche Lufthansa (10), Air France (8), Korean Airways (6), China Southern Airlines (5), Malaysia Airlines (6) and Thai Airways (4).

Since its inaugural flight in October 2007 the worldwide A380 fleet has carried 36 million passengers on 100,000 flights. Every day the fleet performs more than 140 flights carrying 1.5 million passengers a month. An A380 is taking off or landing every six minutes at one of the 32 international airports. Another 50 airports are preparing to accommodate the A380.

The first A380 order of the year 2013 came from Lufthansa, who ordered another two aircraft. It is the third order from Germany's flag carrier, who already operates ten A380s. After the latest purchase Lufthansa's current order backlog stands at nine aircraft. Accordingly Nico Buchholz, Executive Vice President, Lufthansa Group Fleet Management, said, "the A380 fulfils all our expectations, it's a very reliable aircraft and our passengers' feedback is excellent".

Source: Airbus, Ascend

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