DORIC ASSET FINANCE
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NIMROD CAPITAL

QUARTERLY FACT SHEET

30th June 2012

DORIC NIMROD AIR TWO LIMITED

LSE: DNA2/DN2C
CISX: DNA2/DN2C

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 raised a further £200.5 million through the issue of 100,250,000 C shares at 200p per share. The total market capitalisation of the Company is about £378 million.

The purpose of the Company is to purchase a total of seven Airbus A380-800 aircraft, which will be leased to Emirates Airlines, the national carrier owned by the Investment Corporation of Dubai, based in Dubai, United Arab Emirates. The net proceeds from the C share issue are used together with appropriate debt financing to add to the two A380 aircraft that the Company acquired in the fourth quarter of 2011 and a third plane expected to be delivered to Emirates in September 2012. Four more Airbus A380s are expected to be acquired and leased to Emirates later in 2012. In June 2012, a wholly-owned subsidiary of the Company issued two tranches of enhanced equipment trust certificates ("the Certificates" or "EETC") in the aggregate amount of USD 587.5 million to help fund the acquisition of these four aircraft.

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

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 will seek to use the net proceeds of placing's and other equity capital raisings (including the C Share issue), together with debt facilities or instruments, to acquire Airbus A380 aircraft which will be leased to Emirates. The Company will receive income from the lease rentals paid by Emirates pursuant to the leases. It is anticipated that income distributions will be made quarterly. The Company currently targets a distribution of 3p per ordinary share per quarter and, following the acquisition of the third aircraft,

Company Facts (30th June 2012)	
Listing	LSE and CISX
Ticker — Ordinary Shares	DNA2
Ticker — C Shares	DN2C
Share Price DNA2 Ordinary Shares	224.5p
Market Capitalisation DNA2 Ordinary Shares	£163 million
Share Price C Shares	214.5p
Market Capitalisation C Shares	£215 million
Total Market Capitalisation (DNA2 Ordinary & C Shares)	£378 million
Aircraft Registration Numbers	A6-EDP, A6-EDT (aircraft acquired by the Company to date)
Anticipated Dividend	4.5p per quarter (18p per annum) on the issue price of ordinary shares upon delivery of the first three aircraft; 4.5p per quarter (18p per annum) on the issue price of the C shares once the four additional aircraft have been acquired and leased.
Anticipated 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
Incorporation	Guernsey
Asset Manager	Doric Asset Finance & Verwaltungs 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 (DNA2)	B3Z6252 , GG00B3Z62522
SEDOL, ISIN (C Shares)	B5SMNN6, GG00B7MBJP78
Year End	31st March
Stocks & Shares ISA	Eligible
Website	www.dnairtwo.com

will target a distribution to shareholders equivalent to 9 % per annum (i.e. 4.5p per share per quarter based on the issue price of 200p per share).

Prior to the conversion of the C shares, the Company expects to pay dividends to the holders of C shares reflecting income received from the lease rentals paid by Emirates. The Company is targeting a distribution of 0.75 pence per C share per quarter once the fourth and the fifth aircraft have been acquired, rising to 4.125 pence per C share per quarter once the sixth and the seventh aircraft have been acquired.

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 the C shares.

Asset Manager's Comment

1. The Assets

The Company has completed the purchase of two Airbus A380 aircraft, bearing manufacturer's serial numbers (MSN) 077 and 090, both leased to Emirates for an initial term of 12 year with fixed lease rentals for the duration.

The first aircraft was acquired by MSN077 Limited on 14th October 2011 for a purchase price of USD 234 million. The second aircraft was acquired by MSN090 Limited, on 2nd December 2011 for a purchase price of USD 234 million. In order to complete the purchase of the first two aircraft, MSN077 Limited and MSN090 Limited entered into two separate loans, each of which will be fully amortised with quarterly repayments in arrear over 12 years.

The third aircraft is expected to be acquired by a separate wholly-owned subsidiary of the Company (MSN105 Limited) by September 2012 for a purchase price of USD 234 million. The Company intends to purchase the third aircraft using a mixture of debt and current cash reserves.

Doric Nimrod Air Finance Alpha Limited, a wholly-owned subsidiary of Doric Nimrod Air Two Limited, has issued Class A and Class B enhanced equipment trust certificates with an aggregate face amount of approximately USD 587.5 million. Doric Alpha intends to use the proceeds from the offerings to finance the acquisition of four new Airbus A380 aircraft to be leased to Emirates scheduled to be delivered from September 2012 to November 2012.

The Class A Certificates, with a face amount of approximately USD 434 million, will bear interest at an annual rate of 5.125 % and will have a final expected distribution date of November 30, 2022. The Class B Certificates, with a face amount of approximately USD154 million, will bear interest at an annual rate of 6.500 % and will have a final expected distribution date of May 30, 2019. The offerings are expected to close on July 11, 2012, subject to customary conditions.

Moody's Investors Service rated the Class A Certificates A3 and the Class B Certificates Baa3.

Application has been made to the Financial Services Authority for the Certificates to be admitted to the official list of the London Stock Exchange.

Amongst its 169 aircraft in operation as of March 2012, Emirates has a fleet of 21 A380s which currently serve 16 destinations worldwide: Auckland, Bangkok, Beijing, Hong Kong, Jeddah, Kuala Lumpur, London Heathrow, Manchester, Munich, New York JFK, Paris, Rome, Seoul, Shanghai, Sydney and Toronto. In the second half of 2012 Emirates is planning to launch A380 flights to Melbourne, Tokyo and Amsterdam. Emirates has an additional 69 of this model on firm order for delivery through 2017.

Recent visits of the two A380s already owned by the Company (MSN 077 and 090) included London, Kuala Lumpur, Munich, New York and Sydney.

Aircraft Utilization

For the period from original delivery of the Airbus A380 with MSN 077 to Emirates in mid-October 2011 until the end of May 2012, a total of 369 flight cycles were registered. Total flight hours were 3,062. This is equal to an average flight duration of approximately 8.3 hours.

For the period from delivery of the Airbus A380 with MSN 090 to Emirates in early December 2011 until the end of May 2012, a total of 435 flight cycles were registered. Total flight hours were 2,417. This is equal to an average flight duration of almost 5.6 hours.

Maintenance Status

Emirates maintains its A380 aircraft fleet based on a maintenance program according to which minor maintenance checks are performed every 1,500 flight hours and more significant maintenance checks (so called C checks) every 24 months or 12,000 flight hours, whichever comes first. The first C check of the A380 with MSN 077 is likely to occur in October 2013 and the first C check of the A380 with MSN 090 is likely to occur in December 2013. The asset manager plans to inspect the A380s with MSN 077 and MSN 090 during winter 2012/2013.

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 discovered 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 remain fully airworthy and pose no risk to flight safety as affirmed by European Aviation Safety Agency ("EASA") and Airbus.

In recent months Airbus has traced the source of the cracking in A380 wing structures to the choice of a less flexible aluminum alloy used to make the wing brackets, stresses involved during assembly when fitting portions of the wing together plus thermal fatigue during flight at very low temperatures.

In February 2012, EASA issued an updated airworthiness directive ("AD") in relation to the wing rib feet cracks, which called for all A380s in operation to be checked for cracks in the brackets that attach to the wing's ribs before reaching 1,300 flights. Aircraft already approaching or beyond the threshold were ordered to perform the checks and repairs almost immediately.

In late June EASA issued a new AD pertaining to wing rib feet cracks on the Airbus A380 aircraft, which now also specifies repeat inspections of A380 aircraft at defined intervals. This will allow A380 aircraft to continue flying until a permanent fix for wing rib feet cracking has been incorporated in the aircraft. The length of the applicable inspection interval is determined by the location within the wing where previous wing rib feet repairs have been made and the type of repair that has been previously made. Depending on this, an inspection interval of between 560 and 1,200 flight cycles is required. After performing this repeat inspection, the follow-on repeat inspections shall have an inspection interval of 560 flight cycles.

Airbus has developed a permanent fix to wing rib feet cracking, which is currently being certified by EASA. A retrofit modification will be installed on in-service aircraft, while a production modification will be applied for new aircraft. The retrofit is expected to become available in late 2012/early 2013. A further AD is anticipated which will instruct A380 operators to implement the retrofit. At that time, the retrofit will be installed in existing A380s. New aircraft with the production modification are expected to be delivered beginning in early 2014. The permanent fix developed by Airbus will preserve the full design service life of the A380 aircraft.

Airbus has confirmed that it may take up to 8 weeks to incorporate the permanent fix in the A380. Another option is for the fix to be gradually accomplished during regularly scheduled "heavy checks" when the aircraft is two, four, and six years of age. To implement the repair gradually, some extra days would be added to each two to three week "heavy check". Aircraft operators are expected to choose between the various repair solutions depending on their fleet planning and flight schedules.

Due to the relatively small number of flight cycles the two A380s owned by the Company (MSN 077 and 090) are not yet close to approaching the threshold of 1,300 flight cycles and hence have not been inspected yet. It is anticipated that inspections will be performed in line with scheduled maintenance activities for each aircraft.

All the repair works will be covered by the applicable manufacturer's warranties. In the meantime airlines with A380s on lease will continue to operate the aircraft and their lease rental obligations will remain absolute and unconditional on these events.

2. Market Overview

The International Air Transport Association (IATA) released its revised industry outlook in June 2012 according to which global industry profits are still expected to reach USD 3.0 billion this year, unchanged from the last update in March. A fall in oil prices, stronger than expected growth in passenger traffic and a bottoming out of the freight market are driving some improvements in the profitability outlook. However, this is offset by the continued European sovereign debt crisis, which has led markets to expect a further deterioration and damage to economic growth.

IATA expects that 2012 will mark a second successive year of declining airline profits. In 2010 the industry's profits peaked at USD 15.8 billion, before dipping in 2011 to USD 7.9 billion net profit. Although airlines face the common challenges of high fuel prices and economic uncertainty, the regional picture is diverse. Compared with the previous forecast in March 2012, North American and Latin American carriers are expected to see improved prospects. But the outlook for European, Asian-Pacific and Middle Eastern carriers has been downgraded, with European losses now expected to be USD 1.1 billion (nearly double the previously forecast USD 600 million loss).

World GDP growth, a key driver of airline profitability, is expected to be 2.1 % in 2012. That is slightly better than the anticipated 2.0 % growth forecast in March. But this is still a slower growth environment than last year, and one in which airlines will struggle to recover cost increases. Historically, the airline industry has fallen into losses (at a global level) when world GDP growth drops below 2.0 %.

Given the actual slower economic growth environment it has been notable that up to April passenger demand, measured in revenue passenger kilometers, continued to expand at an above-trend rate of 6.0 %. The strongest markets have been those linked with Asia, Latin America, and the Middle East, where economies have been more robust. However, a weaker second half of the year is expected as deepening problems in Europe damage confidence. Even so, the strength of travel demand in the first part of this year has caused an upward revision to the forecast for air travel growth to 4.8 % from 4.2 % in the previous forecast.

Source: IATA

3. Lessee – Emirates Key Financials and Outlook

Emirates revenue reached a record high of USD 16.9 billion in the 12 months ended 31 March 2012, an increase of 16 % from the previous financial year. Passenger revenue climbed 18% year-on-year, to USD 13.3 billion due to the overall expansion of passenger numbers as well as higher fares.

Geographically, East Asia and Australasia remains Emirates' most important region in terms of revenue, accounting for almost 30%, just ahead of Europe. The carrier's revenue base is increasingly diffused globally, particularly with the introduction of several new routes into North and South America and the development of African destinations.

Despite this strong revenue growth, the stifling cost of jet fuel impacted Emirates' bottom line with the airline's profit dropping to USD 409 million, representing a decrease of 72% over last year's record results. Fuel costs increased by 44.4% compared to the preceding year to USD 6.6 billion, representing about 40% of Emirates' total operating costs. Emirates Chairman and CEO, Sheikh Ahmed bin Saeed Al Maktoum, stated that if fuel prices remained where they were in the previous financial year, the net profit "would have again soared to a new record high".

These solid financial results not only represent Emirates 24th consecutive year of profit, but the carrier was also able to strengthen its cash position with an increase of 11.6% to USD 4.2 billion.

Emirates received 22 new aircraft during the course of the past financial year including 14 Boeing 777-300ERs, two Boeing 777Fs (freighters) and six A380s from Airbus, the highest number of aircraft received in a single year of operation. With an increased fleet, Emirates launched 11 new destinations in 2011/2012 including a strong focus on North America and South America in the final quarter with Rio de Janeiro, Buenos Aires, Seattle and Dallas-Fort Worth all launching between January and March 2012. The Emirates fleet, one of the youngest in the industry, carried a record number of almost 34 million passengers at an 80% passenger load factor to a network of 122 destinations in 72 countries. As of 31 March 2012 Emirates has 169 aircraft in operation, with firm orders for another 223 passenger aircraft, including 69 A380.

Most recently the carrier added a new route to Ho Chi Minh City in June. This will be followed by new services to Barcelona and Lisbon in July and Washington DC in September.

Employee numbers at the airline stand at around 42,500 and Emirates plans to recruit more than 4,000 workers this year.

Source: Emirates

4. Aircraft — A380

At the end of May 2012, the global A380 fleet consisted of 75 planes that were in service with eight operators: Emirates (21 A380 aircraft), Singapore Airlines (17), Qantas (12), Deutsche Lufthansa (9), Air France (7), Korean Airways (5), China Southern Airlines (3) and Malaysia Airlines (1).

Malaysia Airlines was the latest operator to take delivery of the 75th aircraft of the type at the end of May 2012. Thai Airways is scheduled to receive its first Airbus A380 in the second half of 2012. This will bring the total number to nine worldwide operators. The in-service fleet is expected to approach 100 aircraft by the end of 2012.

Sources: IATA, Boeing, Airbus

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