QUARTERLY FACT SHEET

31 December 2013

DORIC NIMROD AIR THREE LIMITED

LSE: DNA3
CISX: DNA3

The Company

Doric Nimrod Air Three 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 2 July 2013 with the admission of 220 million Ordinary Shares ("the Equity") at an issue price of 100p per share. The market capitalisation of the Company was GBP 242.3 million as of 31 December 2013.

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 acquired four Airbus A380 aircraft by the end of November 2013. Since the point of delivery, each of the four aircraft has been leased to Emirates Airlines ("Emirates") for an initial term of 12 years with fixed lease rentals for the duration. In order to complete the purchase of the aircraft, DNA Alpha, a wholly owned subsidiary of the Company, issued two tranches of enhanced equipment trust certificates ("the Certificates" or "EETC") – a form of debt security – in July 2013 in the aggregate face amount of USD 630 million. DNA Alpha used the proceeds from both the Equity and the Certificates to finance the acquisition of the four new Airbus A380 aircraft.

The Company receives income from the lease rentals paid by Emirates pursuant to the leases. It is anticipated that income distributions will be made quarterly. For the dividend payment in January 2014, the Company will target a distribution to investors of 1.7185p per share per quarter. For the dividend payment in April 2014 and the dividend payment dates thereafter, the Company will target a distribution to investors of 2.0625p per share per quarter (amounting to a yearly distribution of 8.25% based on the initial placing price of 100p per share).

Company Facts (31 December 2013)	
Listing	LSE and CISX
Ticker	DNA3
Share Price	110.125p
Market Capitalisation	GBP 242.3 million
Aircraft Registration Numbers	A6-EEK, A6-EEL, A6-EEM, A6-EEO
Current/Future Anticipated Dividend	A second interim dividend for the fiscal year ending on 31 March 2014 will be paid in January 2014 of 1.7185p per quarter per share. From April 2014 on dividends are expected to be 2.0625p per quarter per share until the aircraft leases terminate.
Dividend Payment Dates	April, July, October, January
Currency	GBP
Launch Date/Price	2 July 2013/100p
Incorporation	Guernsey
Asset Manager	Doric Lease Corp Management Ltd
Corp & Shareholder Advisor	Nimrod Capital LLP
Administrator	JTC Fund Managers (Guernsey) Ltd
Auditor	Deloitte LLP
Market Makers	Shore Capital Ltd/ Winterflood Securities Ltd/ Jefferies International Ltd/ Numis Securities Ltd
SEDOL, ISIN	B92LHN5, GG00B92LHN58
Year End	31 March
Stocks & Shares ISA	Eligible
Website	www.dnairthree.com

Asset Manager's Comment

1. The Assets

On 29 August 2013, the Company received its first Airbus A380 aircraft, bearing manufacturer's serial number (MSN) 132. The other three aircraft were delivered during the fourth quarter 2013 as follows: 29 October (MSN 136), 14 November (MSN 134) and 27 November (MSN 133).

The A380s owned by the Company recently visited Auckland, Jeddah, Kuala Lumpur, Los Angeles, Melbourne, Moscow, New York, and Seoul. As the aircraft joined the Emirates fleet only recently, no utilization information is currently available.

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 will bear all costs (including maintenance, repair and insurance) relating to the aircraft during the lifetime of the leases.

Hairline Cracks

In late 2011, hairline cracks within the wing structure of some A380s in service were detected. In order to fix this issue Airbus developed a wing rib feet modification programme. With respect to the four aircraft owned by the Company the modification was already embodied during the final assembly, therefore no inspection is required.

2. Market Overview

Between January and October 2013, passenger demand, measured in revenue passenger kilometres (RPKs), expanded by 5.2% compared to the same period in the previous year. The industry remains on a growth path, which started in the fourth quarter of 2012. Pace of growth slightly accelerated since July 2013. In October 2013 RPKs increased by 6.6% compared to the same month of the preceding year. Tony Tyler, Director General and CEO of International Air Transport Association (IATA), expects a strong fourth quarter traffic performance, since business confidence has been rising and major advanced economies show a better economic performance.

After airlines were reluctant to increase their capacities until autumn 2013, operators responded with a capacity increase in October in order to match the higher demand. They increased the available seat kilometres (ASKs) by 0.8% compared to September. At the same time RPKs increased by 0.4%.

The average passenger load factor during the first ten months of this year was 79.9%. 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 81% for the first time in the industry's history. According to the latest traffic forecast released by IATA in December 2013, RPKs are expected to grow by 5.3% in 2013 and 6.0% in 2014. Both numbers were slightly upgraded since the previous publication from September 2013.

As in the quarters before, regional growth patterns continue to be uneven. Between January and October 2013 Middle East airlines increased their RPKs by 11.2% compared to the previous year's period, leading the list of growth regions. The most modest growth was again observed in North America with an increase in RPKs of 2.1% compared to the same period in the previous year.

During the third quarter 2013 air freight markets started responding to better economic confidence and improved consumer demand. According to the latest available numbers published by IATA, between January and October 2013 flown freight-tonne-kilometres (FTKs) increased by 0.8% compared to the same period the year before. The average load factor for the 10-month period until October 2013 reached 44.8%. But matching capacity and demand is still a tough business, because passenger traffic and hence belly capacity is growing more robustly than the air freight business. With a FTK increase of 12.3% during the first ten months of 2013, the Middle East remains the most active region in terms of growth. For 2014 IATA expects an overall expansion of the air freight market of 2.1%, which is significantly below the long-term cargo growth trend of 5 to 6% a year.

Airlines have benefited from a slight relief in jet fuel prices over the last few quarters. As a consequence, IATA recently adjusted the 2013 average cost per barrel down to USD 124.00. This is USD 2.40 per barrel below the forecast from September 2013.

IATA released its latest industry outlook in December 2013 according to which global industry profits are expected to reach USD 12.9 billion in 2013. This is higher than IATA's September 2013 estimate of USD 11.7 billion. Improving efficiencies of the carriers operations and higher aircraft utilization influenced airline performance positively. For 2014 IATA also increased its expectations, forecasting an industry net profit of USD 19.7 billion. Industry experts paint a mixed picture of the near future: The economic growth in the developed economies will further improve. But on the other hand BRIC countries (Brazil, Russia, India, China) will likely show a relatively modest growth trajectory.

According to the recently published IATA Airline Industry Forecast 2013-2017 airlines expect until the year 2017 an increase in passenger numbers of 31% or 930 million compared to the reference year 2012. This number would imply a compound annual growth rate of 5.4%. In a regional breakdown, the Middle East is expected to record the strongest international passenger growth rate of 6.3% p.a.

In December Airbus has increased its sales target for 2013 once again. The European airframer expects to sell more than 1,400 aircraft in 2013.

Source: Handelsblatt, IATA

3. Lessee – Emirates Key Financials and Outlook

In the first six months of the current financial year (ending on 30 September 2013) revenue reached a record high of USD 10.8 billion, up by 12% compared to the same period in the financial year before. According to His Highness Sheikh Ahmed bin Saeed Al Maktoum, Chairman and Chief Executive of Emirates, "the global business environment continues to be challenging". Nevertheless the lessee increased its net profit by 2% to USD 475 million. However persistent high fuel prices and an unfavorable currency exchange environment burden the airline's profits.

As of 30 September 2013 the balance sheet total amounted to USD 25.1 billion, a decrease of 3% from the end of last financial year. Total equity increased by 7.9% to USD 6.8 billion with an equity ratio of 27%. The current ratio was 1.01; therefore the airline would be able to meet its current liabilities by liquidating all of its current assets. As of 30 September 2013 the carrier's cash balance reached USD 4.3 billion, therefore liquidity decreased by USD 2.4 billion within six months. This was largely caused by bond repayments and injections back into the business to fund new aircraft, engines, spares and other projects.

In the first half of the current financial year, Emirates continued to invest in and expand its employee base, increasing its overall staff count by 12.4% to over 51,900 compared with 30 September 2012.

During the first half of the current financial year, Emirates received ten widebody aircraft, including six Airbus A380. Prior to March 2014 another 15 new aircraft are scheduled to enter the fleet. By 2020 Emirates expects to have more than 250 widebody aircraft in the air serving some 70 million passengers a year. In order to support its long-term growth ambitions, the carrier has recently placed the largest ever aircraft order in civil aviation history. At the Dubai Air Show in November the lessee signed contracts with Airbus and Boeing in 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 777Xs are scheduled to start in 2020.

As of November 2013 Emirates operates flights to 137 destinations in 77 countries on six continents. Since January 2012 Emirates has launched more than 20 new destinations. By the end of the fiscal year in March 2014, at least another four will enlarge the global route network . The airline currently operates nearly 3,200 flights per week. Every three minutes an Emirates aircraft takes off anywhere in the world. A continuously growing fleet enabled an increase in ASKs. During the first six months of the current business year until September 2013 the lessee offered 16.9% more ASKs than a year ago. At the same time demand increased by 16.1%. Notwithstanding the tremendous growth Emirates is able to match supply and demand in order to keep the load factor at high levels. During the first half of the current financial year, passenger load factor averaged 79.2%.

Source: Emirates

4. Aircraft — A380

As of November 2013 Emirates has a fleet of 41 A380s which currently serve 23 destinations worldwide: Amsterdam, Auckland, Bangkok, Beijing, Brisbane, Hong Kong, Jeddah, Kuala Lumpur, London Heathrow, Los Angeles, Manchester, Mauritius, Melbourne, Moscow, Munich, New York JFK, Paris, Rome, Seoul, Shanghai, Singapore, Sydney and Toronto. With Los Angeles becoming an A380 destination at the beginning of December 2013, Emirates has launched the world's longest A380 service in operation, crossing the Russian Federation, the North Pole and Eastern Canada. Scheduled flight time is 16 hours and 20 minutes. On 1 January 2014 Zurich will become Emirates' 24th A380 destination, followed by Barcelona on 1 February 2014. Growing passenger demand causes the Middle East-based carrier to increase A380 frequencies on established routes. Starting in March 2014 the second daily flight to Munich, currently served by a Boeing 777-300ER, will be upgraded to an A380 service.

At the end of November 2013, the global A380 fleet consisted of 119 commercially used planes in service. The currently ten operators are Emirates (41 A380 aircraft), Singapore Airlines (19), Qantas (12), Deutsche Lufthansa (10), Air France (9), Korean Airways (8), China Southern Airlines (5), Malaysia Airlines (6), Thai Airways (6) and British Airways (3). Qatar Airways and South Korea's Asiana Airlines will join the club of A380 operators when they take delivery of their first aircraft in 2014. The order book for A380 aircraft has expanded considerably over the last quarter. In November 2013 Emirates announced at the Dubai Air Show to buy another 50 A380s in addition to the 90 already ordered. This brings the number of unfilled orders at Airbus to 189 aircraft by the end of November 2013.

According to Airbus, the worldwide fleet has accumulated around 1.1 million flight hours in more than 137,000 commercial flights. The number of passengers flying aboard an Airbus A380 to date is over 50 million. The global fleet's average daily utilization is greater than 13 hours.

Source: Airbus, Ascend, Emirates

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