

QUARTERLY FACT SHEET

31 March 2014

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 235.4 million as of 31 March 2014.

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 paid 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 March 2013)

Listing	LSE and CISX
Ticker	DNA3
Share Price	107.0p
Market Capitalisation	GBP 235.4 million
Aircraft Registration Numbers	A6-EEK, A6-EEL, A6-EEM, A6-EEO
Current/Future Anticipated Dividend	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	Amedeo 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 Brisbane, Bangkok, Jeddah, Kuala Lumpur, Los Angeles, Melbourne, Shanghai, Sydney and Toronto. Aircraft utilization for the

period from delivery of each Airbus A380 until the end of February 2014 was:

Aircraft Utilization				
MSN	Delivery Date	Flight Hours	Flight Cycles	Average Flight Duration
132	29/08/2013	2,746	313	8 h 45 min
133	27/11/2013	1,438	131	11 h 0 min
134	14/11/2013	1,470	140	10 h 30 min
136	29/10/2013	1,847	186	9 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 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 and no further modification is required.

2. Market Overview

During 2013 passenger demand, measured in revenue passenger kilometres (RPKs), expanded by 5.2% compared to the year before. This number represents exactly the average historical growth rate over the last 30 years. Market development during 2013 was mainly driven by a solid economic growth in the emerging regions. Less mature air travel markets continued to expand significantly faster than the more mature ones. The industry also experienced a strong start into the year 2014. RPKs during January were 8.0% above the same month the year before. In general, accelerating air travel markets during the last months are consistent with a pick-up in economic growth across the globe.

Between January and December 2013 airlines increased their capacities, measured in available seat kilometres (ASKs), by 4.8%. With some exceptions, the operators remained careful in their capacity planning. Overall the growth rate of RPKs exceeded the ASK increase.

The average passenger load factor during the year 2013 was 79.5%. This is an increase of 0.4%-points compared to 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 March 2014, RPKs are expected to grow by 5.8% in 2014 and 6.7% in 2015. Outlook for 2015 was slightly downgraded by 0.2%-points since the previous publication from December 2013.

A regional breakdown reveals that the Middle East airlines were once more the best-performing in terms of RPK growth with a plus of 11.4% during 2013. The Asia/Pacific region grew by 7.1%. The most modest growth was again observed in North America with 2.3%. This growth pattern is continuing in the current year. During January 2014 traffic in the Middle East increased by 17.2% compared to the same period the year before. At the lower end North America has been replaced by Africa which showed only a modest growth of 2.1% in January.

In 2013 air freight markets slowly recovered from their downsizing the year before. Flown freight-tonne-kilometres (FTKs) increased by 1.4%. Growth picked up mainly during the second half of the year. Eurozone's emergence from recession and an accelerated growth in world trade supported this encouraging development. But load factors and hence utilization of the available freight capacities remain a challenge to the industry. The average load factor for 2013 was only 45.3%. Well performing markets for passenger traffic result in an increase of belly capacity. Hence available freight-tonne-kilometres (AFTKs) increased by 2.6% during the year. The Middle East and Latin America were the only regions where demand growth for air freight exceeded additional supply. Nevertheless, in January 2014 air freight volumes were the highest since mid-2010. It is expected that the slow recovery will continue in line with the growth of industrial production. Historical evidence that freight demand is increasing twice as fast as the industrial production is currently not observable. For 2014 IATA expects a worldwide FTK growth of 4.0%.

IATA released its latest industry outlook in March 2014 according to which global industry profits are expected to reach USD 18.7 billion in 2014. This is slightly lower than IATA's December 2013 estimate of USD 19.7 billion. The main driver of this downward revision is an adjusted projection for oil price development, which has been increased by USD 3.50 per barrel for geo-political reasons such as the latest developments in the Ukraine. But according to IATA's General Director and CEO, Tony Tyler, the general outlook to the industry is positive. Expected GDP growth, which is closely linked to airlines profitability, is largely driven by developed economies after some key emerging economies like India and Brazil face economic challenges.

During 2013 Airbus delivered more aircraft to its customers than ever before. At the same time the European aircraft

manufacturer received new orders for 1,503 aircraft. At the year-end order backlog increased to 5,559 aircraft with a cumulated list price of more than USD 800 billion. This is a new record to the aviation industry.

Source: Airbus, IATA

3. Lessee – Emirates Key Financials and Outlook

Emirates’ annual report for the financial year 2013/2014 is expected to be released in May 2014. 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.

In 2013 Emirates received 24 new aircraft including freighters. Nine new passenger routes have been launched; Warsaw, Algiers, Tokyo Haneda, Stockholm, Clark, Milan-New York, Conakry, Sialkot and Kabul. Hanoi, Chicago, Kano in Nigeria and Quito in Ecuador have been launched as cargo only destinations. At the Dubai Air Show in November 2013 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. Emirates 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 February 2014 Emirates operates flights to 141 destinations in 80 countries on six continents. During the last calendar year the airline’s fleet travelled more than 751 million kilometres, circling the globe over 18,000 times and carrying over 43 million passengers. In 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 February 2014 Emirates has a fleet of 45 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. London Gatwick became an A380 destination only recently. But it was Emirates' first destination when the airline commenced flights to the UK back in 1987.

At the end of February 2014, the global A380 fleet consisted of 124 commercially used planes in service. The currently ten operators are Emirates (45 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 (4). According to manufacturer Airbus, a record number of new operators will receive their first aircraft in the current calendar year. Qatar Airways will join the club of A380 operators first, followed by South-Korean based Asiana Airlines and Skymark Airlines of Japan. United Arab Emirates' flag carrier Etihad Airways is expected to receive the first A380 by the close of this year.

The order book for A380 aircraft has expanded considerably over the last two quarters. In November 2013 Emirates announced at the Dubai Air Show to buy another 50 A380s in addition to the 90 already ordered. In February 2014 widebody leasing company Amedeo firmed up an order of 20 A380s. No operator has so far been confirmed for these aircraft. This brings the number of unfilled orders at Airbus to 199 aircraft by the end of February 2014.

In January 2014 the Indian Ministry of Civil Aviation lifted the ban for A380 operations at Indian airports. Four major international airports including New Delhi and Mumbai have already been equipped to handle the superjumbo. It is expected that major A380 operators like Emirates, Deutsche Lufthansa and Singapore Airlines will use their aircraft for flights to India in the future. Services will be subject to traffic entitlements within bilateral agreements.

According to Airbus, the worldwide A380 fleet has accumulated around 1.2 million flight hours in close to 150,000 commercial flights. The number of passengers flying aboard an Airbus A380 to date is over 50 million. Currently the A380 operates between 35 airports and every five minutes an A380 takes off or lands at these destinations.



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