

QUARTERLY FACT SHEET

30 September 2016

DORIC NIMROD AIR ONE LIMITED

LSE: DNA

The Company

Doric Nimrod Air One Limited ("the Company") is a Guernsey domiciled company, which is listed on the Specialist Fund Segment (SFS) of the London Stock Exchange's Main Market. The Company has purchased one Airbus A380-861 aircraft, manufacturer's serial number (MSN) 016, which it has leased for an initial term of 12 years, with fixed lease rentals for the duration, to Emirates Airline ("Emirates"), the national carrier owned by the Investment Corporation of Dubai, based in Dubai, United Arab 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 single aircraft. The Company receives income from the lease and its directors are targeting a gross distribution to the shareholders of 2.25 pence per share per quarter (9p per annum). It is anticipated that income distributions will continue to be made quarterly.

The total return for a shareholder investing today (30 September 2016) at the current share price consists of future income distributions during the remaining lease duration and a return of capital at dissolution of the Company. The latter payment is subject to the future value and the respective sales proceeds of the aircraft, quoted in US dollars and the USD/GBP exchange rate at that point in time. Since launch three independent appraisers provide the Company with their future values for the aircraft at the end of each financial year. The latest appraisals available are dated the end of March 2016. The table below summarizes the total return components, calculated on different exchange rates and using the average value of the aircraft as provided by the three independent external appraisers. Regarding the following two tables, there is no guarantee that the aircraft will be sold at such a sale price or that such capital returns would be generated. It is also assumed that the lessee will honour all its contractual obligations during the entire anticipated lease term.

The contracted lease rentals are calculated to satisfy interest and principal in US dollars and distributions and Company running costs in sterling. The Company is therefore insulated from foreign currency market volatility during the term of the lease.

I. Implied Future Total Return Components Based on Appraisals¹

The implied return figures are not a forecast and assume the Company has not incurred any unexpected costs.

Aircraft value at lease expiry according to

- Prospectus appraisal USD 110 million
- Latest appraisal² USD 107 million

Per Share	Income Distributions	Return of Capital		Total Return ³	
		Prospectus Appraisal	Latest Appraisal ⁴	Prospectus Appraisal	Latest Appraisal ⁴
Prospectus FX Rate ⁵	59p	161p	157p	220p	216p
Current FX Rate ⁶	59p	197p	192p	255p	250p

¹See final sentences in the second paragraph of Investment Strategy

²Date of valuation: 31 March 2016 ³Excluding earned dividend ⁴Average of the three appraisals as at the Company's year-end in the expiry year of the lease

⁵1.5900 USD/GBP ⁶1.2970 USD/GBP (30 September 2016)

II. Company Facts (30 September 2016)

Listing	LSE
Ticker	DNA
Current Share Price	112.25p (closing)
Market Capitalisation	GBP 47.7 million
Initial Debt	USD 122 million
Outstanding Debt Balance	USD 64.5 million (53% of Initial Debt)
Current/Future Anticipated Dividend	2.25p per quarter (9p per annum)
Earned Dividends	49.5p
Current Dividend Yield	8.02%
Dividend Payment Dates	April, July, October, January
Expected Future Total Cash Multiple ¹	2.23 (based on the Current Share Price)
Total Expense Ratio	1.4% (based on Average Net Assets)
Currency	GBP
Launch Date/Price	13 December 2010 / 100p
Remaining Lease Duration	6 years 3 months
Incorporation	Guernsey
Aircraft Registration Number (Lease Expiry Date)	A6-EDC (16.12.2022)
Asset Manager	Doric GmbH
Corp & Shareholder Advisor	Nimrod Capital LLP
Administrator	JTC (Guernsey) Ltd
Auditor	Deloitte LLP

¹See final sentences in the second paragraph of Investment Strategy

II. Company Facts (continued)

Market Makers	Jefferies International Ltd, Numis Securities Ltd, Shore Capital Ltd, Winterflood Securities Ltd
SEDOL, ISIN	B4MF389, GG00B4MF3899
Year End	31 March
Stocks & Shares ISA	Eligible
Website	www.dnairone.com

1. The Doric Nimrod Air One Airbus A380

The Airbus A380 is registered in the United Arab Emirates under the registration mark A6-EDC. For the period from original delivery of the aircraft to Emirates in November 2008 until the end of August 2016, a total of 4,089 flight cycles were logged. Total flight hours were 34,446. This equates to an average flight duration of eight hours and 25 minutes.

The A380 owned by the Company visited Auckland, Brisbane, Frankfurt, Jeddah, New York JFK, Sydney, and Toronto during the third quarter of 2016.

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 24 month or 12,000 flight hour intervals, whichever occurs first. The last heavy maintenance check, the 6-year check, was completed in December 2014.

Emirates bears all costs (including for maintenance, repairs and insurance) relating to the aircraft during the lifetime of the lease.

The records audited by the asset manager, Doric, in May were found to be in good order.

2. Market Overview

During the first seven months of 2016 passenger demand, measured in revenue passenger kilometres (RPKs), increased by 6.0% compared to the same period the year before. Adjusted for the extra day, as 2016 is a leap year, traffic grew by 5.5%. "Passenger demand has broadly grown in line with the average of the past 10 years but the industry faces some potential headwinds, including lingering impacts from the series of terrorist attacks and the fragile economic backdrop", said Alexandre de Juniac, IATA's (International Air Transport Association) Director General and CEO. But entering the peak travel months, July and August, RPK growth accelerated in July with the fastest pace in five months and, according to IATA,

passenger traffic is set for another year of solid growth. In its latest forecast released in June, it expects an RPK growth of 6.2% in 2016.

At 79.9% passenger load factors have remained close to the historic high - in a narrow band around 80% since February - as airlines have slowed capacity growth in line with the moderation in demand growth. IATA estimates an average worldwide passenger load factor of 80.0% for the full year 2016.

A regional breakdown reveals that Middle East airlines, including Emirates, continued to outperform the overall market again this year. Between January and July RPKs increased by 10.9% compared to the previous period. Asia/Pacific-based operators ranked second with 8.7%, followed by Africa with 7.7%. Europe grew by 3.7%. Latin American and North American market participants each recorded 3.6% more RPKs.

Fuel is the single largest operating cost of airlines and has significant effects on the industry's profitability. According to its latest report released in June, IATA expects an average fuel price of USD 55.6 per barrel in 2016. This would be 17% lower compared to the previous year. It could drive the average share of fuel costs in operating expenses down to less than 20% for the first time since 2004. The industry-wide net profit could be further boosted to an estimated USD 39.4 billion. The net profit margin of 5.6% would be the highest for more than a decade. In 2015 the revised industry net profit reached USD 35.3 billion, compared to a revised net profit of USD 13.7 billion the year before. The profit development during this year will heavily depend on the oil price level. IATA has based its calculations on an average crude oil price of USD 45 per barrel. This includes a rising profile during the course of the year to just above USD 50 per barrel by the end of 2016.

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3. Lessee – Emirates Key Financials

In the financial year 2015/16 ending on 31 March 2016 Emirates made its highest profit ever with USD 1.9 billion – an increase of 56% compared to the previous period. The profit margin of 8.4% is the greatest since 2010/11. At the same time, the 28th consecutive year of profit provided a number of global and operational challenges to the company. The rise of the US dollar against currencies in most of Emirates' key markets only had a USD 1.1 billion impact on the airline's bottom line. As a result of this and fare adjustments following the reduction in

fuel prices there was a 4% drop in revenue to USD 23.2 billion. During the financial year, the airline had to deal with weak consumer confidence in a slow global economic environment, terror threats and geopolitical instability in many regions it serves. Nevertheless, the company was able to maintain its strategy of a diversified revenue base which limited the carrier's exposure to single geographical regions.

The airline's operating costs were significantly influenced by the drop in oil prices with a 39% lower average fuel price compared to the previous period. As Emirates remained largely unhedged on jet fuel prices, this significantly paid off. Fuel costs remained the largest component in operating costs, but significantly decreased by 9 percentage points to 26%. Total operating costs decreased by 8% over the 2014/15 financial year.

As of 31 March 2016, the balance sheet total amounted to USD 32.5 billion, an increase of 7% compared to the beginning of the financial year. Total equity increased by 14.6% to USD 8.8 billion with an equity ratio of 27.2%. The current ratio stood at 0.82, meaning the airline would be able to meet about four-fifths of its current liabilities by liquidating all its current assets. Significant items on the liabilities side of the balance sheet included current and non-current borrowings and lease liabilities in the amount of USD 13.7 billion. As of 31 March 2016, the carrier's cash balance was USD 5.4 billion, up by USD 846 million compared to the beginning of the financial year.

New destinations, larger aircraft deployment and increased frequencies to existing destinations boosted the transport capacities for passengers (measured in ASKs) by 12.8% compared to the previous financial year. Passenger demand (in RPKs) grew by 8.4%, resulting in a passenger load factor of 76.5%. The economy class seat factor stood at 79.2%. About 32% of the 51.9 million passengers carried in the 2015/16 financial year travelled aboard an A380. Premium and overall seat factors for Emirates' flagship aircraft outperformed the network.

During the financial year 2015/16 Emirates added eight new passenger destinations to its network and added services and capacity to another 34 cities on its existing route network across Africa, Asia, Europe, the Middle East and North America. The increasing number of A380 aircraft joining the fleet allowed the airline to introduce superjumbo services to a further four destinations during the course of the 2015 calendar year. At the same time A380 services to nine existing routes were increased. This means one out of every four destinations on the carrier's passenger network is served by an A380.

During the first six months of 2016 Emirates' aircraft travelled 432 million kilometres on over 96,000 flights.

In July Emirates was named the "World's Best Airline 2016" at the Skytrax World Airline Awards. The ranking is based on the largest airline passenger satisfaction survey in the industry, with a total of 19.2 million completed surveys covering 280 airlines. After 2001, 2002 and 2013 this is the fourth time the top accolade was awarded to Emirates in the 15-year history of this contest. Furthermore, the airline received the "World's Best Inflight Entertainment" award for a record 12th consecutive year, and the "Best Airline in the Middle East" award.

Source: Ascend, Emirates

4. Aircraft — A380

By mid-September 2016 Emirates operated a fleet of 83 A380s which currently serve 41 destinations from its Dubai hub: Amsterdam, Auckland, Bangkok, Barcelona, Beijing, Birmingham, Brisbane, Copenhagen, Dallas, Dusseldorf, Frankfurt, Hong Kong, Houston, Jeddah, Kuala Lumpur, Kuwait, London Gatwick, London Heathrow, Los Angeles, Madrid, Manchester, Mauritius, Melbourne, Milan, Mumbai, Munich, New York JFK, Paris, Perth, Prague, Rome, San Francisco, Seoul, Shanghai, Singapore, Sydney, Taipei, Toronto, Vienna, Washington, and Zurich. During the summer Emirates announced a number of expansions to its A380 operations. This includes a second daily A380 services to Los Angeles (since July 1) and Milan (from October 1) and a third daily A380 services to Munich (since June 20) and Manchester (from January 1, 2017). Furthermore, Guangzhou (China) is scheduled to become an A380 destination on October 1, 2016. Johannesburg (South Africa) will complement Emirates' global list of A380 destinations from February 1, 2017. Already this year the operator will deploy the A380 on its non-stop service between Dubai and Auckland (New Zealand), which was introduced only a few months ago, currently flown by a Boeing 777-200LR and which is reported to be the longest sector served by a commercial carrier. Also from October 30, 2016 another New Zealand city, Christchurch, will be served by an A380, eliminating the current en-route stop in Bangkok.

By mid-September 2016 the global A380 fleet consisted of 195 commercially operated planes in service. The thirteen operators are Emirates (83), Singapore Airlines (19), Deutsche Lufthansa (14), Qantas (12), British Airways (12), Air France (10), Korean Airways (10), Etihad Airways (8), Malaysia Airlines (6), Qatar Airways (6), Thai Airways (6), China Southern Airlines (5), and Asiana (4). The number of undelivered A380 orders stood at 126.

In July 2016 A380 manufacturer Airbus revealed plans to cut A380 production to one aircraft per month from 2018 onwards. According to Airbus CEO, Fabrice Brégier, the company remains committed to the superjumbo and will continue to invest in the jet. "The A380 is here to stay", Brégier was quoted in the press. The adjusted production rate allows Airbus to keep "all [its] options open" for the emergence of future A380 demand.

In August 2016 Australian flag carrier Qantas disclosed that the airline is unlikely to take delivery of the final eight A380s it has on order with Airbus. The airline's CEO Alan Joyce is very happy with the current network accommodating 12 A380s but is struggling to find routes for another eight aircraft. Deliveries have been repeatedly deferred in recent years as a cost-saving measure.

In September 2016 Singapore Airlines (SIA) announced that they had decided not to renew the lease on their first Airbus A380 delivered in 2007. The initial lease term expires in October

2017. No decisions have been made so far on a further four A380 aircraft which were delivered to SIA on similar operating lease terms in 2008. This statement comes only days after Malaysia Airlines' (MAS) reaffirmation to market its six A380s in the near future, as its new focus is more on Asian flights requiring lower capacity aircraft, like the 25 Boeing 737 MAX ordered back in July this year. CEO Peter Bellew said MAS is in talks with carriers in China and other Association of Southeast Asia Nations countries who might be interested in leasing or buying superjumbos. In his view there are a number of airlines in the region "keen to dip their toe in the water". Already in June last year MAS announced plans to remove a number of aircraft from its fleet, including two of its six A380 aircraft, as part of its restructuring plans.

Source: aero.de, Airbus, Ascend, Bloomberg, CAPA, Emirates



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