Doric Nimrod Air Two Limited

Consolidated Half-yearly Financial Report

(unaudited)

From 1 April to 30 September 2016

Doric Nimrod Air Two Limited

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Doric Nimrod Air Two Limited

SUMMARY INFORMATION

Admission to Trading	Specialist Fund Segment of the London Stock Exchange's Main Market
Ticker	DNA2
Share Price	221.5p (as at 30 September 2016) 219.00p (as at 25 November 2016)
Market Capitalisation	GBP 383 million (as at 30 September 2016)
Aircraft Registration Numbers	A6-EDP, A6-EDT, A6-EDX, A6-EDY, A6-EDZ, A6-EEB, A6-EEC
Current/Future Anticipated Dividend	Current dividends are 4.5p per quarter per share (18p per annum) and it is anticipated that this will continue until the aircraft leases begin to terminate in 2023.
Dividend Payment Dates	April, July, October, January
Currency	Sterling
Launch Date/Price	14 July 2011 / 200p
Incorporation and Domicile	Guernsey
Asset Manager	Doric GmbH
Corp & Shareholder Advisor	Nimrod Capital LLP
Administrator	JTC (Guernsey) Limited
Auditor	Deloitte LLP
Market Makers	Shore Capital Limited Winterflood Securities Limited Jefferies International Limited Numis Securities Limited
SEDOL, ISIN	B3Z6252, GG00B3Z62522
Year End	31 March
Stocks & Shares ISA	Eligible
Website	www.dnairtwo.com

COMPANY OVERVIEW

Doric Nimrod Air Two Limited (LSE Ticker: DNA2) (**"DNA2"** or the **"Company"**) is a Guernsey company incorporated on 31 January 2011.

Pursuant to the Company's prospectus dated 30 June 2011, the Company on 14 July 2011 raised approximately 136 million GBP by the issue of Ordinary Preference Shares (the "**Ordinary Shares**") at an issue price of 200 pence each (the "**Placing**"). The Company's Ordinary Shares were admitted to the Official List and to trading on the Specialist Fund Segment ("**SFS**") of the London Stock Exchange's Main Market ("**LSE**") on 14 July 2011.

The Company raised a further 188.5 million from a C share fundraising (the "**C Shares**"), which closed on 27 March 2012 with the admission of 100,250,000 Convertible Preference Shares to trading on the SFS.

On 6 March 2013, the Company's C Shares converted into an additional 100,250,000 Ordinary Preference Shares. These additional Ordinary Preference Shares were admitted to trading on the SFS and rank *pari passu* with the Ordinary Preference Shares already in issue.

As at 25 November 2016, the last practicable date prior to the publication of this report, the Company's total issued share capital consisted of 172,750,000 Ordinary Shares (the "**Shares**") and the Shares were trading at 219.00 pence per share.

Investment Objectives and Policy

The Company's investment objective is to obtain income returns and a capital return for its shareholders (the "**Shareholders**") by acquiring, leasing and then selling aircraft (each an "**Asset**" and together the "**Assets**"). The Company receives income from the lease rentals paid to it by Emirates Airline ("**Emirates**"), the national carrier owned by the Investment Corporation of Dubai, based in Dubai, United Arab Emirates, pursuant to the leases.

Subsidiaries

The Company has four wholly-owned subsidiaries; MSN077 Limited, MSN090 Limited, MSN105 Limited and Doric Nimrod Air Finance Alpha Limited ("**DNAFA**") which collectively hold the Assets for the Company (together the Company and the subsidiaries are known as the "**Group**").

The first Asset was acquired by MSN077 Limited on 14 October 2011 for a purchase price of USD 234 million and has been leased to Emirates for an initial term of 12 years to October 2023, with fixed lease rentals for the duration.

The second Asset was acquired by MSN090 Limited on 2 December 2011 for a purchase price of USD 234 million and has been leased to Emirates for an initial term of 12 years to December 2023, with fixed lease rentals for the duration.

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The third Asset was acquired by MSN105 Limited on 1 October 2012 for a purchase price of USD 234 million and has been leased to Emirates for an initial term of 12 years to October 2024.

In order to complete the purchase of the relative Assets, MSN077 Limited, MSN090 and MSN105 Limited entered into separate loan agreements with a number of banks (see Note 14), each of which will be fully amortised with quarterly repayments in arrears over 12 years (together the "**Loans**"). A fixed rate of interest applies to the Loans. MSN077 Limited drew down USD 151,047,509 under the terms of the first loan agreement to complete the purchase of the first Asset; MSN090 Limited drew down USD 146,865,575 in accordance with the second loan agreement to finance the acquisition of the second Asset; and MSN105 Limited drew down USD 145,751,153 in accordance with the third loan agreement to finance the acquisition of the third Asset. The first loan agreement, second loan agreement and the third loan agreement are on materially the same terms.

The fourth, fifth, sixth and seventh Assets were acquired by DNAFA using the proceeds of the issue of the C Shares, together with the proceeds of Equipment Notes (the "**Equipment Notes**") issued by DNAFA. The Equipment Notes were acquired by two separate pass through trusts using the proceeds of their issue of enhanced equipment trust certificates (the "**Certificates**"). The Certificates, with an aggregate face amount of approximately USD 587.5 million were admitted to the Official List of the UK Listing Authority and to the London Stock Exchange on 12 July 2012. These four Assets were also leased to Emirates for an expected initial term of 12 years to the second half of 2024, with fixed lease rentals for the duration.

Distribution Policy

The Company aims to provide its Shareholders with an attractive total return comprising income from distributions through the period of the Company's ownership of the Assets and capital upon the sale of the Assets.

The Group receives income from the lease rentals paid by Emirates pursuant to the relevant leases. It is anticipated that income distributions will be made quarterly, subject to compliance with applicable laws and regulations. The Company currently targets a distribution of 4.50 pence per Share per quarter. Emirates bears all costs (including maintenance, repair and insurance) relating to the aircraft during the lifetime of the leases.

There can be no guarantee that dividends will be paid to Shareholders and, if dividends are paid, as to the timing and amount of any such dividend. There can also be no guarantee that the Company will, at all times, satisfy the solvency test required to be satisfied pursuant to section 304 of the Companies (Guernsey) Law, 2008 (the "**Law**") before the Directors may resolve to declare dividends.

Performance Overview

All payments by Emirates have to date been made in accordance with the terms of the respective leases.

During the period under review and in accordance with the Distribution Policy the Company declared two interim dividends of 4.50 pence per Share. One interim dividend of 4.50 pence per Share was declared after the reporting period. Further details of these dividend payments can be found on page 25.

Return of Capital

In respect of any Asset, following the sale of that Asset, the Directors may, either (i) return to Shareholders the net capital proceeds, or (ii) re-invest such proceeds in accordance with the Company's investment policy.

The Company intends to return to Shareholders net capital proceeds if and when the Company is wound-up (pursuant to a Shareholder resolution, including the Liquidation Resolution below), subject to compliance with the Company's Articles of Incorporation (the "**Articles**") and the applicable laws (including any applicable requirements of a solvency test contained in the Law).

Liquidation Resolution

Although the Company does not have a fixed life, the Articles require that the Directors convene a general meeting of the Company in June 2025, where an ordinary resolution will be put to the Shareholders that the Company proceed to an orderly wind-up at the end of the term of the Leases (the "Liquidation Resolution"). In the event that the Liquidation Resolution is not passed, the Directors will consider alternatives for the future of the Company and shall propose such alternatives at a general meeting of the Members, including re-leasing the Assets, or selling the Assets and reinvesting the capital received from the sale of the Assets in another aircraft or aircrafts.

CHAIRMAN'S STATEMENT

I am very pleased to present Shareholders with the Company's half-yearly consolidated financial report covering the period from 1 April 2016 until 30 September 2016 (the "**Period**").

I am glad to report that during the Period the Company has performed as anticipated and has declared and paid quarterly dividends of 4.5p per share as expected, representing 18p per share per year.

The Group owns seven planes, funded in part by two equity issues, a note issue and bank debt.

The Company's Asset Manager, Doric GmbH, continues to monitor the lease performance and reports regularly to the Board. Nimrod Capital LLP, the Company's Placing Agent as well as its Corporate and Shareholder Advisory Agent, continues to liaise between the Board and Shareholders, and to distribute quarterly fact sheets.

From January to August 2016 overall global air traffic passenger demand, measured in revenue passenger kilometres (RPKs), expanded by 6.6% compared to the same period in the year before and taking into consideration that 2016 is a leap year. Traffic is being shaped by a range of drivers, including fragile economic growth and lower airfares. And the International Air Transport Association (IATA) says that passenger traffic is set for another year of solid growth.

Emirates has also continued to perform well flying more passengers than ever before carrying 51.9 million people to 153 destinations in 80 countries on six continents during the last financial year 2015/16. About 32% of Emirates' passengers were carried by an A380. Passenger load factors remain high across the fleet. At the same time Emirates received 29 new aircraft to cope with its forecast increasing demand.

In economic reality, the Company has also performed well. Two interim dividends were declared in the half-year and future dividends are targeted to be declared and paid on a quarterly basis. However, the financial statements do not in the Board's view properly convey this economic reality due to the accounting treatment for foreign exchange, rental income and finance costs.

International Financial Reporting Standards require that transactions denominated in US Dollars (including, most importantly, the cost of the aircraft) are translated into Sterling at the exchange rate ruling at the date of the transaction whilst monetary items (principally the outstanding borrowings) are translated at the rate prevailing on the reporting date. The result is that the figures sometimes show very large mismatches which are reported as unrealised foreign exchange differences.

The Asset Manager of the Company produces a factsheet on a quarterly basis which includes an analysis of the asset value of the Company. Due to the inaccuracies described above, the Board recommends that Shareholders consider the asset value disclosed in the quarterly factsheet as more indicative of the value of the Company's assets.

On an on-going basis and assuming the lease and loan payments are made as anticipated, such exchange differences do not reflect the commercial substance of the situation in the sense that the key transactions denominated in US Dollars are in fact closely matched. Rental income received in US Dollars is used to pay debt repayments due which are likewise denominated in US Dollars. US Dollar lease rentals and debt repayments are furthermore fixed at the outset of the Company's life and are very similar in amount and timing.

In addition to this, rental income receivable is credited evenly to the Consolidated Statement of Comprehensive Income over the planned life of the Company. Conversely, the methodology for accounting for interest cost means that the proportion of the debt repayments which is treated as interest and is debited to the Consolidated Statement of Comprehensive Income, varies over the term of the debt with a higher proportion of interest expense recognised in earlier periods, so that the differential between rental income and interest cost (as reported in the Consolidated Statement of Comprehensive Income) reduces over the course of 12 years. In reality however the amount of rental income is fixed so as to closely match the interest and principal components of each debt repayment instalment and allow for payments of operating costs and dividends.

On behalf of the Board, I would like to thank our service providers for all their help and assistance and all Shareholders for their continued support of the Company.

Norbert Bannon

Chairman

Doric Nimrod Air Two Limited

ASSET MANAGER'S REPORT

On the invitation of the Directors of the Company, the following commentary has been provided by Doric GmbH as Asset Manager of the Company and is provided without any warranty as to its accuracy and without any liability incurred on the part of the Company, its Directors and officers and service providers. The commentary is not intended to constitute, and should not be construed as, investment advice. Potential investors in the Company should seek their own independent financial advice and may not rely on this communication in evaluating the merits of an investment in the Company. The commentary is provided as a source of information for shareholders of the Company but is not attributable to the Company.

1. The Assets

In November 2012, the Company 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.

The seven A380s owned by the Company recently visited Amsterdam, Auckland, Barcelona, Beijing, Frankfurt, Hong Kong, Jeddah, London Gatwick, Manchester, Melbourne, Milan, New York JFK, Paris, Perth, Prague, Rome, Seoul, Singapore, Sydney, and Taipei.

Aircraft utilisation for the period from delivery of each Airbus A380 until the end of August 2016 was as follows:

MSN	Delivery Date	Flight Hours	Flight Cycles	Average Flight Duration
077	14/10/2011	22,975	2,694	8 h 30 min
090	02/12/2011	20,262	3,381	6 h
105	01/10/2012	17,113	2,789	6 h 10 min
106	01/10/2012	18,783	2,146	8 h 45 min
107	12/10/2012	18,544	2,130	8 h 40 min
109	09/11/2012	16,122	2,622	6 h 10 min
110	30/11/2012	16,720	2,813	5 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 24 month or 12,000 flight hour intervals, whichever occurs first. Emirates bears all costs (including for maintenance, repairs and insurance) relating to the aircraft during the lifetime of the lease.

Inspections

Doric Nimrod Air Two Limited

Doric, the asset manager, performed inspections of MSNs 077, 106 and 109 at Dubai International Airport. The physical condition of the aircraft were in compliance with the provisions of the respective lease agreement.

Doric also undertook records audits for MSNs 077, 090, 105, 106 and 107. The lessee was again very helpful in the responses given to the asset manager's technical staff and the technical documentation was 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.

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.

For a long time Emirates has been known as the strongest supporter of a re-engined A380 and prepared to order up to 200 of the so-called A380neo. Speaking in front of aviation professionals in June, Airbus' CEO Fabrice Bregier ruled out an A380neo in the near future. In May Emirates' President Tim Clark had indicated that Emirates might purchase up to 60 additional aircraft of the current version, if Airbus were not prepared to launch an A380neo. With regard to the airline's retirement plans for in-service A380s, Clark said that extending leases beyond their current duration would be an option.

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 to exercise their option to extend the lease on their first Airbus A380 delivered in 2007 at the current rental. 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

DIRECTORS

Norbert Bannon – Chairman (Age 67)

Norbert Bannon is chairman of a large UK DB pension fund, a major Irish DC pension scheme and is a director of and advisor to a number of other financial companies. He is Chairman of the Audit Committees of Doric Nimrod Air One Limited and Doric Nimrod Air Three Limited. He has extensive experience in international finance having been CEO of banks in Singapore and New York. He was CEO of Ireland's largest venture capital company and was finance director and Chief Risk Officer at a leading investment bank in Ireland. He has worked as a consultant on risk issues internationally.

He earned a degree in economics from Queen's University, studied at Stanford Graduate School of Business and is a Chartered Accountant.

Charles Edmund Wilkinson (Age 73)

Charles Wilkinson is a solicitor who retired from Lawrence Graham LLP in March 2005. While at Lawrence Graham he specialised in corporate finance and commercial law, latterly concentrating on investment trust and fund work.

Charles is currently Chairman of the Boards of Doric Nimrod Air One Limited and Doric Nimrod Air Three Limited, a Director of Premier Energy and Water Trust PLC (a listed investment trust), and of Landore Resources Ltd, a Guernsey based mining exploration company. He is resident in Guernsey.

Geoffrey Alan Hall (Age 67)

Geoffrey Hall has extensive experience in asset management, having previously been Chief Investment Officer of Allianz Insurance plc, a major UK general insurance company and an investment manager at HSBC Asset Management, County Investment Management, and British Railways Pension Funds. Geoffrey is also currently a director of Doric Nimrod Air One Limited and Doric Nimrod Air Three Limited.

Geoffrey earned his masters degree in Geography at the University of London. He is an associate of the CFA Society of the UK.

John Le Prevost (Age 64)

John Le Prevost is the Chief Executive Officer of Anson Group Limited and Chairman of Anson Registrars Limited (the Company's Registrar). He has spent 30 years working in offshore trusts and investment business during which time he was managing director of County NatWest Investment Management (Channel Islands) Limited, Royal Bank of Canada's mutual fund company in Guernsey and Republic National Bank of New York's international trust company. John is a director of Guaranteed Investment Products I PCC Limited, Guernsey's largest protected cell company. He is a director of a number of other companies associated with Anson Group's business as well as being a trustee of the Guernsey Sailing Trust. John is also currently a director of Doric Nimrod Air One Limited, Doric Nimrod Air Three Limited and Amedeo Air Four Plus Limited. He is resident in Guernsey.

INTERIM MANAGEMENT REPORT

A description of important events which have occurred during the Period, their impact on the performance of the Group as shown in the financial statements and a description of the principal risks and uncertainties facing the Group is given in the Chairman's Statement, Asset Manager's Report, and the Notes to the Financial Statements contained on pages 19 to 36 and are incorporated here by reference.

There were no material related party transactions which took place in the Period, other than those disclosed at Note 20 of the Notes to the Financial Statements.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company are unchanged from those disclosed in the Company's annual financial report for the year ended 31 March 2016.

Going Concern

The Company's principal activities are set out within the Company Overview on pages 2 to 4. The financial position of the Group is set out on page 15 to 18. In addition, Note 17 to the financial statements includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives and its exposures to credit risk and liquidity risk.

The interest rate under each Loan or Equipment Note issue has been fixed and the fixed rental income under the relevant Lease has been co-ordinated with the loan repayments therefore the rent income should be sufficient to repay the Loans and Equipment Notes and provide surplus income to pay for the Group's expenses and permit payment of dividends.

After making reasonable enquiries, and as described above, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Responsibility Statement

The Directors jointly and severally confirm that to the best of their knowledge:

(a) The financial statements, prepared in accordance with IFRS give a fair, balanced and understandable view of the assets, liabilities, financial position and profits of the Company and performance of the Company;

(b) This Interim Management Report includes or incorporates by reference:

   a. an indication of important events that have occurred during the Period, and their impact on the financial statements;

   b. a description of the principal risks and uncertainties for the remaining six months of the financial year; and

   c. confirmation that there were no related party transactions in the Period that have materially affected the financial position or the performance of the Company during that period.

Signed on behalf of the Board of Directors of the Company on 30 November 2016

John Le Prevost
Director

Charles Wilkinson
Chairman of the Audit Committee

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period from 1 April 2016 to 30 September 2016

	Notes	1 Apr 2016 to 30 Sep 2016 GBP	1 Apr 2015 to 30 Sep 2015 GBP
INCOME			
A rent income	4	42,809,579	40,211,048
B rent income	4	18,217,070	18,266,979
Bank interest received		-	22,827
		61,026,649	58,500,854
EXPENSES			
Operating expenses	5	(1,835,578)	(1,690,197)
Depreciation of Aircraft	9	(21,126,114)	(20,157,772)
		(22,961,692)	(21,847,969)
Net profit for the period before finance costs and foreign exchange (losses) / gains		38,064,957	36,652,885
Finance costs	10	(14,136,352)	(14,136,492)
Net profit for the period after finance costs and before foreign exchange losses		23,928,605	22,516,393
Unrealised foreign exchange (loss) / gain	17b	(55,078,091)	11,959,688
(Loss) / profit for the period		(31,149,486)	34,476,081
Other Comprehensive Income		-	-
Total Comprehensive (Loss) / Income for the period		(31,149,486)	34,476,081
		Pence	**Pence**
(Loss) / Earnings per Ordinary Preference Share for the period - Basic and Diluted	8	(18.03)	19.96

In arriving at the results for the financial period, all amounts above relate to continuing operations.

The notes on pages 19 to 36 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2016

	Notes	30 Sep 2016 GBP	31 Mar 2016 GBP
NON-CURRENT ASSETS			
Aircraft	9	866,739,029	887,865,143
CURRENT ASSETS			
Receivables	12	69,657	51,738
Cash and cash equivalents		24,570,408	23,231,712
		24,640,065	23,283,450
TOTAL ASSETS		891,379,094	911,148,593
CURRENT LIABILITIES			
Borrowings	14	73,218,376	69,945,010
Deferred income		9,636,139	8,704,735
Payables - due within one year	13	255,739	258,167
		83,110,254	78,907,912
NON-CURRENT LIABILITIES			
Borrowings	14	428,009,950	418,953,249
Deferred income		130,345,976	116,677,532
		558,355,926	535,630,781
TOTAL LIABILITIES		641,466,180	614,538,693
TOTAL NET ASSETS		249,912,914	296,609,900
EQUITY			
Share capital	15	319,836,770	319,836,770
Retained earnings		(69,923,856)	(23,226,870)
		249,912,914	296,609,900
		Pence	**Pence**
Net Asset Value per Ordinary Preference Share based on 172,750,000 (Mar 2016: 172,750,000) shares in issue		144.67	171.70

The financial statements were approved by the Board of Directors and authorised for issue on 30 November 2016 and are signed on its behalf by:

Charles Wilkinson — Director

John Le Prevost — Director

The notes on pages 19 to 36 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the period from 1 April 2016 to 30 September 2016

	1 Apr 2016 to 30 Sep 2016 GBP	1 Apr 2015 to 30 Sep 2015 GBP
OPERATING ACTIVITIES		
(Loss) / profit for the period	(31,149,486)	34,476,081
Movement in deferred income	7,353,674	5,266,731
Interest received	-	(22,827)
Depreciation of Aircraft	21,126,114	20,157,771
Loan interest payable	13,625,180	13,365,790
(Decrease) / increase in payables	(2,428)	9,424
Increase in receivables	(17,919)	(445)
Foreign exchange movement	55,078,091	(11,959,688)
Amortisation of debt arrangement costs	511,172	770,702
NET CASH FROM OPERATING ACTIVITIES	66,524,398	62,063,539
INVESTING ACTIVITIES		
Interest received	-	22,827
NET CASH FROM INVESTING ACTIVITIES	-	22,827
FINANCING ACTIVITIES		
Dividends paid	(15,547,500)	(15,547,500)
Repayments of capital on borrowings	(37,868,081)	(32,498,253)
Payments of interest on borrowings	(12,666,484)	(13,461,294)
Costs associated with debt issued	-	(770,702)
NET CASH USED IN FINANCING ACTIVITIES	(66,082,065)	(62,277,749)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	23,231,712	22,092,349
Increase / (decrease) in cash and cash equivalents	442,333	(191,383)
Effects of foreign exchange rates	896,363	726,801
CASH AND CASH EQUIVALENTS AT END OF PERIOD	24,570,408	22,627,767

The notes on pages 19 to 36 form an integral part of these consolidated financial statements.

Doric Nimrod Air Two Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period from 1 April 2016 to 30 September 2016

	Notes	Share Capital GBP	Retained Earnings GBP	Total GBP
Balance as at 1 April 2016		319,836,770	(23,226,870)	296,609,900
Total Comprehensive Loss for the period		-	(31,149,486)	(31,149,486)
Dividends paid	7	-	(15,547,500)	(15,547,500)
Balance as at 30 September 2016		319,836,770	(69,923,856)	249,912,914

	Notes	Share Capital GBP	Retained Earnings GBP	Total GBP
Balance as at 1 April 2015		319,836,770	(19,699,248)	300,137,522
Total Comprehensive Income for the period		-	34,476,081	34,476,081
Dividends paid	7	-	(15,547,500)	(15,547,500)
Balance as at 30 September 2015		319,836,770	(770,667)	319,066,103

The notes on pages 19 to 36 form an integral part of these consolidated financial statements.

1 GENERAL INFORMATION

The consolidated financial statements incorporate the results of Doric Nimrod Air Two Limited (the "Company"), MSN077 Limited, MSN090 Limited, MSN105 Limited and Doric Nimrod Air Finance Alpha Limited (together "Subsidiaries") (together the Company and the Subsidiaries are known as the "Group").

The Company was incorporated in Guernsey on 31 January 2011 with registered number 52985. Its share capital consists of one class of Ordinary Preference Shares ("Ordinary Shares") and one class of Subordinated Administrative Shares ("Admin Shares"). The Company's Ordinary Shares have been admitted to trading on the SFS of the LSE. The Company delisted from the Channel Islands Securities Exchange ("CISEA") on 5 September 2014.

The Company's investment objective is to obtain income returns and a capital return for its Shareholders by acquiring, leasing and then selling aircraft.

2 ACCOUNTING POLICIES

The significant accounting policies adopted by the Group are as follows:

(a) Basis of Preparation

The consolidated financial statements have been prepared in conformity with the International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union, and applicable Guernsey law. The financial statements have been prepared on a historical cost basis.

This report is to be read in conjunction with the annual report for the year ended 31 March 2016 which are prepared in accordance with the International Financial Reporting Standards adopted by the European Union and any public announcements made by the Company during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below:

Changes in accounting policies and disclosure

The following Standards or Interpretations have been adopted in the current period. Their adoption has not had any impact on the amounts reported in these consolidated financial statements and is not expected to have any impact on future financial periods:

IFRS 7 Financial Instruments: Disclosures - amendments resulting from September 2014 Annual Improvements effective for annual periods beginning on or after 1 January 2016.

IAS 1 Presentation of Financial Statements - amendments resulting from the disclosure initiative effective for annual periods beginning on or after 1 January 2016.

IAS 16 Property, Plant and Equipment - amendments regarding the clarification of acceptable methods of depreciation and amortisation and amendments bringing bearer plants into the scope of IAS 16 effective for annual periods beginning on or after 1 January 2016.

IAS 34 Interim Financial Reporting - amendments resulting from September 2014 annual improvements for annual periods beginning on or after 1 January 2016.

The following Standards or Interpretations that are expected to affect the Group have been issued but not yet adopted by the Group. Other Standards or Interpretations issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") are not expected to affect the Group.

IFRS 9 Financial Instruments - finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition. There is no mandatory effective date, however the IASB has tentatively proposed that this will be effective for accounting periods commencing on or after 1 January 2018 (EU endorsement is outstanding).

IFRS 15 Revenue from contracts with customers - deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue', IAS 11 'Construction contracts' and related interpretations and is endorsed by the EU. This standard is effective for a period beginning on or after 1 January 2018.

2 ACCOUNTING POLICIES (continued)

(a) Basis of Preparation (continued)

IFRS 16 Leases - specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 (EU endorsement is outstanding) and is effective for annual periods beginning on or after 1 January 2019.

IAS 7 Statement of Cash Flows - amendments resulting from the disclosure initiative effective for annual periods beginning on or after 1 January 2017 (EU endorsement is outstanding).

The Directors have considered the above and are of the opinion that the above Standards and Interpretations are not expected to have an impact on the Group's financial statements except for the presentation of additional disclosures and changes to the presentation of components of the financial statements. These items will be applied in the first financial period for which they are required.

(b) Basis of Consolidation

The consolidated financial statements incorporate the results of the Company and its Subsidiaries. The Company owns 100% of all the shares in the Subsidiaries, and has the power to govern the financial and operating policies of the Subsidiaries so as to obtain benefits from their activities. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(c) Taxation

The Company and its Subsidiaries have been assessed for tax at the Guernsey standard rate of 0%.

(d) Share Capital

Ordinary Preference Shares (the "Shares") are classified as equity. Incremental costs directly attributable to the issue of Shares are recognised as a deduction from equity.

(e) Expenses

(f) Interest Income

Interest income is accounted for on an accruals basis.

(g) Foreign Currency Translation

The currency of the primary economic environment in which the Group operates (the functional currency) is Great British Pounds ("GBP" or "£") which is also the presentation currency.

Transactions denominated in foreign currencies are translated into GBP at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Consolidated Statement of Comprehensive Income.

(h) Cash and Cash Equivalents

Cash at bank and short term deposits which are held to maturity are carried at cost. Cash and cash equivalents are defined as call deposits, short term deposits with a term of no more than 3 months from the start of the deposit and highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

2 ACCOUNTING POLICIES (continued)

(i) Segmental Reporting

The Directors are of the opinion that the Group is engaged in a single segment of business, being acquiring, leasing and selling various Airbus A380-861 aircraft (together the "Assets" and each an "Asset").

(j) Going Concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors believe the Group is well placed to manage its business risks successfully as the loan and Equipment Notes interest has been fixed and the fixed rental income under the operating leases means that the rents should be sufficient to repay the debt and provide surplus income to pay for the Group's expenses and permit payment of dividends. Accordingly, the Directors have adopted the going concern basis in preparing the consolidated financial statements. Management is not aware of any material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

(k) Leasing and Rental Income

The leases relating to the Assets have been classified as operating leases as the terms of the leases do not transfer substantially all the risks and rewards of ownership to the lessee. The Assets are shown as non-current assets in the Consolidated Statement of Financial Position. Further details of the leases are given in Note 11.

Rental income and advance lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and amortised on a straight-line basis over the lease term.

(l) Property, Plant and Equipment - Aircraft

In line with IAS 16 Property Plant and Equipment, each Asset is initially recorded at the fair value of the consideration paid. The cost of the Asset is made up of the purchase price of the Asset plus any costs directly attributable to bringing it into working condition for its intended use. Costs incurred by the lessee in maintaining, repairing or enhancing the aircraft are not recognised as they do not form part of the cost to the Group. Accumulated depreciation and any recognised impairment losses are deducted from cost to calculate the carrying amount of the Asset.

Depreciation is recognised so as to write off the cost of the each Asset less the estimated residual value over the estimated useful life of the Asset of 12 years, using the straight line method. The estimated residual value of the seven planes ranges from £75.6 million to £78.3 million. Residual values have been arrived at by taking into account disposition fees. The depreciation method reflects the pattern of benefit consumption. The residual value is reviewed annually and is an estimate of the fair amount the entity would receive currently if the Assets were already of the age and condition expected at the end of their useful life. Useful life is also reviewed annually and for the purposes of the financial statements represents the likely period of the Group's ownership of these Assets. Depreciation starts when the Asset is available for use.

At each statement of financial position date, the Group reviews the carrying amounts of its Aircraft to determine whether there is any indication that those Assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the Asset is estimated to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the Asset for which the estimates of future cash flows have not been adjusted.

2 ACCOUNTING POLICIES (continued)

(l) Property, Plant and Equipment - Aircraft (continued)

If the recoverable amount of an Asset is estimated to be less than its carrying amount, the carrying amount of the Asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the Asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the Asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(m) Financial Liabilities

Financial liabilities consist of payables and borrowings. The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics. All financial liabilities are initially measured at fair value, net of transaction costs. All financial liabilities are recorded on the date on which the Group becomes party to the contractual requirements of the financial liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of the financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

(n) Net Asset Value

In circumstances where the Directors, as advised by the Asset Manager, are of the opinion that the net asset value ("NAV") or NAV per Share, as calculated under prevailing accounting standards, is not appropriate or could give rise to a misleading calculation, the Directors, in consultation with the Administrator and the Asset Manager may determine, at their discretion, an alternative method for calculating the value of the Group and shares in the capital of the Group, which they consider more accurately reflects the value of the Group.

3 SIGNIFICANT JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described in Note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimates that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in consolidated financial statements.

3 SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

Residual Value and Useful Life of Aircraft

As described in Note 2 (l), the Group depreciates the Assets on a straight line basis over the estimated useful life of the Assets after taking into consideration the estimated residual value. IAS 16 Property, Plant and Equipment requires residual value to be determined as an estimate of the amount that the Group would currently obtain from disposal of the Asset, after deducting the estimated costs of disposal, if the Asset were of the age and condition expected at the end of its useful life. However, there are currently no aircraft of a similar type of sufficient age for the Directors to make a direct market comparison in making this estimation. After consulting with the Asset Manager, the Directors have concluded that a forecast market value for the aircraft at the end of its useful life (including inflationary effects) best approximates residual value. In estimating residual value, the Directors have made reference to forecast market values for the aircraft obtained from 3 independent expert aircraft valuers. The estimation of residual value remains subject to uncertainty. If the estimate of residual value had been decreased by 20% with effect from the beginning of this year, the net profit for the year and closing shareholders' equity would have been decreased by approximately £6.5 million. An increase in residual value by 20% would have had an equal but opposite effect. This reflects the range of estimates of residual value that the Directors believe would be reasonable at this time. The estimated useful life of the Assets are based on the expected period for which the Group will own and lease the aircraft.

Operating Lease Commitments - Group as Lessor

The Group has entered into operating leases on seven (30 September 2015: seven) Assets. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these Assets and accounts for the contracts as operating leases.

The Group has determined that the operating leases on the Assets are for 12 years based on an initial term of 10 years followed by an extension term of 2 years. Should the lessee choose to exit a lease at the end of the initial term of 10 years a penalty equal to the remaining 2 years would be due.

Impairment

As described in Note 2 (l), an impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The Directors monitor the Assets for any indications of impairment as required by IAS 16 Property, Plant and Equipment and IAS 36 Impairment of Assets.

At the period end the Directors reviewed the carrying values of the Assets and concluded that there was no indication of any impairments.

4 RENTAL INCOME

	1 Apr 2016 to 30 Sep 2016 GBP	1 Apr 2015 to 30 Sep 2015 GBP
A rent income	50,548,761	45,913,198
Revenue received but not yet earned	(24,072,023)	(20,097,695)
Revenue earned but not yet received	12,412,446	10,464,410
Amortisation of advance rental income	3,920,395	3,931,135
	42,809,579	40,211,048
B rent income	17,831,562	17,831,561
Revenue earned but not yet received	392,295	438,821
Revenue received but not yet earned	(6,787)	(3,403)
	18,217,070	18,266,979
Total rental income	61,026,649	58,478,027

Rental income is derived from the leasing of the Assets. Rent is split into A rent, which is received in US Dollars ("USD" or "$") and B rent, which is received in GBP. Rental income received in USD is translated into the functional currency (GBP) at the date of the transaction.

A and B rental income receivable will decrease / increase respectively, 10 years from the start of each lease. An adjustment has been made to spread the actual total income receivable over the term of the lease on an annual basis. In addition, advance rentals received have also been spread over the full term of the leases.

5 OPERATING EXPENSES

	1 Apr 2016 to 30 Sep 2016 GBP	1 Apr 2015 to 30 Sep 2015 GBP
Management fee	399,910	386,854
Asset management fee	961,853	940,688
Administration fees	101,807	104,771
Bank interest & charges	1,244	725
Accountancy fees	15,267	15,229
Registrars fee	10,316	12,441
Audit fee	20,960	20,550
Directors' remuneration	106,000	106,000
Directors' and Officers' insurance	18,025	18,268
Legal & professional expenses	169,760	65,062
Annual fees	7,390	7,815
Travel costs	5,888	3,834
Sundry costs	8,816	581
Other operating expenses	8,342	7,379
	1,835,578	1,690,197

6 DIRECTORS' REMUNERATION

Under their terms of appointment, each Director is paid a fee of £48,000 per annum by the Group, except for the Chairman, who receives £59,000 per annum. The Chairman of the audit committee also receives an extra £9,000 per annum.

7 DIVIDENDS IN RESPECT OF EQUITY SHARES

Dividends in respect of Ordinary Shares	1 Apr 2016 to 30 Sep 2016 GBP	Pence per share
First interim dividend	7,773,750	4.50
Second interim dividend	7,773,750	4.50
	15,547,500	9.00

Dividends in respect of Ordinary Shares	1 Apr 2015 to 30 Sep 2015 GBP	Pence per share
First interim dividend	7,773,750	4.50
Second interim dividend	7,773,750	4.50
	15,547,500	9.00

8 (LOSS) / EARNINGS PER SHARE

(Loss) / Earnings per Share ('(LPS)' / 'EPS') is based on the net loss for the period of £31,149,486 (30 September 2015: £34,476,081 profit for the period) and 172,750,000 (30 September 2015: 172,750,000) Ordinary Shares being the weighted average number of Shares in issue during the period.

There are no dilutive instruments and therefore basic and diluted earnings/losses per Share are identical.

9 PROPERTY, PLANT AND EQUIPMENT - AIRCRAFT

	MSN077 GBP	MSN090 GBP	MSN105 GBP	MSN106 GBP	MSN107 GBP	MSN109 GBP	MSN110 GBP	TOTAL GBP
COST								
As at 1 Apr 2016	149,423,436	151,310,256	146,958,203	146,626,809	147,668,555	149,126,548	148,034,384	1,039,148,191
As at 30 Sep 2016	149,423,436	151,310,256	146,958,203	146,626,809	147,668,555	149,126,548	148,034,384	1,039,148,191
ACCUMULATED DEPRECIATION								
As at 1 Apr 2016	25,748,005	25,670,168	19,689,958	20,303,984	20,264,233	20,040,637	19,566,063	151,283,048
Charge for the period	3,099,686	3,176,336	2,943,906	2,953,558	2,973,747	3,001,612	2,977,269	21,126,114
As at 30 Sep 2016	28,847,691	28,846,504	22,633,864	23,257,542	23,237,980	23,042,249	22,543,332	172,409,162
CARRYING AMOUNT								
As at 30 Sep 2016	120,575,745	122,463,752	124,324,339	123,369,267	124,430,575	126,084,299	125,491,052	866,739,029
As at 31 Mar 2016	123,675,431	125,640,088	127,268,245	126,322,825	127,404,322	129,085,911	128,468,321	887,865,143

The cost in USD and the exchange rates at acquisition for the aircraft was as follows:

	MSN077	MSN090	MSN105	MSN106	MSN107	MSN109	MSN110
Cost	234,000,000	234,000,000	234,000,000	234,000,000	234,000,000	234,000,000	234,000,000
GBP/USD exchange rate	1.5820	1.5623	1.6089	1.6167	1.6053	1.5896	1.6013

The Group can sell the Assets during the term of the leases (with the lease attached and in accordance with the terms of the transfer provisions contained therein).

Under IAS 17 the direct costs attributed in negotiating and arranging the operating leases have been added to the carrying amount of the leased asset and recognised as an expense over the lease term. The costs have been allocated to each aircraft based on the proportional cost of the aircraft / assets.

10 FINANCE COSTS

	30 Sep 2016 GBP	30 Sep 2015 GBP
Amortisation of debt arrangements costs	511,172	770,702
Loan interest	13,625,180	13,365,790
	14,136,352	14,136,492

11 OPERATING LEASES

The amounts of minimum future lease receipts at the reporting date under non-cancellable operating leases are detailed below:

30 September 2016	Next 12 months GBP	1 to 5 years GBP	After 5 years GBP	Total GBP
Aircraft - A rental receipts	97,849,855	379,723,371	109,824,053	587,397,279
Aircraft - B rental receipts	35,663,124	142,652,496	107,819,810	286,135,430
	133,512,979	522,375,867	217,643,863	873,532,709

30 September 2015	Next 12 months GBP	1 to 5 years GBP	After 5 years GBP	Total GBP
Aircraft - A rental receipts	94,587,195	330,598,093	173,084,978	598,270,266
Aircraft - B rental receipts	35,663,124	142,652,496	143,482,934	321,798,554
	130,250,319	473,250,589	316,567,912	920,068,820

The operating leases are for seven Airbus A380-861 aircraft. The terms of the leases are as follows:

MSN077 - term of the lease is for 12 years ending October 2023. The initial lease is for 10 years ending October 2021, with an extension period of 2 years ending October 2023, in which rental payments reduce. The present value of the remaining rentals in the extension period at the end of the initial 10 year lease term must be paid even if the option is not taken.

MSN090 - term of the lease is for 12 years ending December 2023. The initial lease is for 10 years ending December 2021, with an extension period of 2 years ending December 2023, in which rental payments reduce. The present value of the remaining rentals in the extension period at the end of the initial 10 year lease term must be paid even if the option is not taken.

MSN105 - term of the lease is for 12 years ending September 2024. The initial lease is for 10 years ending September 2022, with an extension period of 2 years ending September 2024, in which rental payments reduce. The present value of the remaining rentals in the extension period at the end of the initial 10 year lease term must be paid even if the option is not taken.

11 OPERATING LEASES (continued)

MSN106 - term of the lease is for 12 years ending August 2024. The initial lease is for 10 years ending August 2022, with an extension period of 2 years ending August 2024, in which rental payments reduce. The present value of the remaining rentals in the extension period at the end of the initial 10 year lease term must be paid even if the option is not taken.

MSN107 - term of the lease is for 12 years ending September 2024. The initial lease is for 10 years ending September 2022, with an extension period of 2 years ending September 2024, in which rental payments reduce. The present value of the remaining rentals in the extension period at the end of the initial 10 year lease term must be paid even if the option is not taken.

MSN109 - term of the lease is for 12 years ending September 2024. The initial lease is for 10 years ending September 2022, with an extension period of 2 years ending September 2024, in which rental payments reduce. The present value of the remaining rentals in the extension period at the end of the initial 10 year lease term must be paid even if the option is not taken.

MSN110 - term of the lease is for 12 years ending October 2024. The initial lease is for 10 years ending October 2022, with an extension period of 2 years ending October 2024, in which rental payments reduce. The present value of the remaining rentals in the extension period at the end of the initial 10 year lease term must be paid even if the option is not taken.

At the end of each lease the lessee has the right to exercise an option to purchase the Asset if the Group chooses to sell the Asset. If a purchase option event occurs the Group and the lessee will be required to arrange for a current market value appraisal of the Asset to be carried out by three independent appraisers. The purchase price will be equal to the average valuation of those three appraisals.

12 RECEIVABLES

	30 Sep 2016 GBP	31 Mar 2016 GBP
Prepayments	33,745	15,826
Sundry debtors	35,912	35,912
	69,657	51,738

The above carrying value of receivables is equivalent to fair value.

13 PAYABLES (amounts falling due within one year)

	30 Sep 2016 GBP	31 Mar 2016 GBP
Accrued administration fees	19,425	20,088
Accrued audit fee	21,960	26,920
Accrued management fee	197,779	193,427
Other accrued expenses	16,575	17,732
	255,739	258,167

The above carrying value of payables is equivalent to the fair value.

14 BORROWINGS

	30 Sep 2016 GBP	31 Mar 2016 GBP
Bank loans	218,541,693	211,478,565
Equipment Notes	290,746,792	285,876,101
Associated costs	(8,060,159)	(8,456,407)
	501,228,326	488,898,259
Current portion	73,218,376	69,945,010
Non-current portion	428,009,950	418,953,249

Notwithstanding the fact that £38 million capital has been repaid during the period, as per the Cash Flow Statement, the value of the borrowings has risen due to the 10% decline in the GBP/USD exchange rate from 31 March 2016 to 30 September 2016.

The amounts below detail the future contractual undiscounted cashflows in respect of the loans and equipment notes, including both the principal and interest payments, and will not agree directly to the amounts recognised in the Statement of Financial Position:

Amount due for settlement within 12 months	97,693,061	93,886,409
Amount due for settlement after 12 months	496,724,837	492,832,760

The loan to MSN077 Limited was arranged with Westpac Banking Corporation ("Westpac") for USD 151,047,059 and runs for 12 years until October 2023 and has an effective interest rate of 4.590%.

The loan to MSN090 Limited was arranged with The Australia and New Zealand Banking Group Limited ("ANZ") for USD 146,865,575 and runs for 12 years until December 2023 and has an effective interest rate of 4.5580%.

The loan to MSN105 Limited was arranged with ICBC, BoC and Commerzbank for USD 145,751,153 and runs for 12 years until October 2024 and has an effective interest rate of 4.7800%.

Each loan is secured on one Asset. No significant breaches or defaults occurred in the Period. The loans are either fixed rate over the term of the loan or have an associated interest rate swap contract issued by the lender in effect fixing the loan interest over the term of the loan. Transaction costs of arranging the loans have been deducted from the carrying amount of the loans and will be amortised over their respective lives.

In order to finance the acquisition of the fourth, fifth, sixth and seventh Assets, Doric Nimrod Air Finance Alpha Limited ("DNAFA") used the proceeds of the May 2012 offering of Pass Through Certificates ("the Certificates"). The Certificates have an aggregate face amount of approximately $587.5 million, made up of "Class A" certificates and "Class B" certificates. The Class A certificates in aggregate have a face amount of $433,772,000 with an interest rate of 5.125% and a final expected distribution date of 30 November 2022. The Class B certificates in aggregate have a face amount of $153,728,000 with an interest rate of 6.5% and a final expected distribution date of 30 May 2019. There is a separate trust for each class of Certificate. The trusts used the funds from the Certificates to acquire equipment notes. The equipment notes were issued to Wilmington Trust, National Association as pass through trustee in exchange fo the consideration paid by the purchasers of the Certificates. The equipment notes were issued by DNAFA and the proceeds from the sale of the equipment notes financed a portion of the purchase price of the four Airbus A380-861 aircraft, with the remaining portion being financed through contribution from the Company of the C Share issue proceeds. The holders of the equipment notes issued for each aircraft will have the benefit of a security interest in such aircraft.

In the Directors' opinion and with reference to the terms mentioned, the above carrying values of the bank loans and equipment notes are approximate to their fair value.

15 SHARE CAPITAL

The Share Capital of the Group is represented by an unlimited number of shares of no par value being issued or reclassified by the Group as Ordinary Preference Shares, C Shares or Administrative Shares.

Issued	**Administrative Shares**	**Ordinary Shares**	**C Shares**
Shares issued at incorporation	-	2	-
Shares issued 8 February 2011	-	3,999,998	-
Shares repurchased and cancelled 10 May 2011	-	(1,000,000)	-
Bonus issue 22 June 2011	-	1,500,000	-
Shares issued 30 June 2011	2	-	-
Shares issued in Placing July 2011	-	68,000,000	-
Shares issued 7 February 2012	-	-	6,000,000
Shares issued in Placing March 2012	-	-	94,250,000
C Share Conversion March 2013	-	100,250,000	(100,250,000)
Issued Share Capital as at 30 Sept 2016 and 31 Mar 16	2	172,750,000	-

Issued	**Administrative Shares GBP**	**Ordinary Shares GBP**	**C Shares GBP**	**Total GBP**
Shares issued at incorporation	-	2	-	2
3,999,998 Shares issued 8 February 2011	-	18	-	18
Shares issued 30 June 2011	-	-	-	-
68,000,000 Shares Issued in Placing July 2011	-	136,000,000	-	136,000,000
Shares issued in Placing March 2012	-	-	188,500,000	188,500,000
C Share Conversion March 2013	-	188,500,000	(188,500,000)	-
Share issue costs	-	(4,663,250)	-	(4,663,250)
Total Share Capital as at 30 Sept 2016 and 31 Mar 16	-	319,836,770	-	319,836,770

15 SHARE CAPITAL (continued)

Members holding Ordinary Shares are entitled to receive, and participate in, any dividends out of income attributable to the Ordinary Shares; other distributions of the Group available for such purposes and resolved to be distributed in respect of any accounting period; or other income or right to participate therein.

On a winding up, Ordinary Shareholders are entitled to the surplus assets attributable to the Ordinary Shares class remaining after payment of all the creditors of the Group. Members have the right to receive notice of and to attend, speak and vote at general meetings of the Group.

On 6 March 2013, 100,250,000 C Shares were converted into Ordinary Shares with a conversion of 1:1.

The holders of Administrative Shares are not entitled to receive, and participate in, any dividends out of income; other distributions of the Group available for such purposes and resolved to be distributed in respect of any accounting period; or other income or right to participate therein. On a winding up, holders are entitled to a return of capital paid up on them after the Ordinary Shares have received a return of their capital paid up but ahead of the return of all additional capital to the holders of Ordinary Shares.

Holders shall not have the right to receive notice of and no right to attend, speak and vote at general meetings of the Group, except for the Liquidation Proposal Meeting (general meeting convened six months before the end term of the Leases where the Liquidation Resolution will be proposed) or if there are no Ordinary Shares in existence.

16 FINANCIAL INSTRUMENTS

The Group's main financial instruments comprise:

(a) Cash and cash equivalents that arise directly from the Group's operations; and

(b) Loans secured on non-current assets.

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's objective is to obtain income and returns and a capital return for its Shareholders by acquiring, leasing and then selling aircraft.

The following table details the categories of financial assets and liabilities held by the Group at the reporting date:

	30 Sep 2016 GBP	**31 Mar 2016 GBP**
Financial assets		
Cash and cash equivalents	24,570,408	23,231,712
Receivables	35,912	35,912
Financial assets at amortised cost	24,606,320	23,267,624
Financial liabilities		
Payables	255,739	258,167
Debt payable	509,288,485	497,354,666
Financial liabilities measured at amortised cost	509,544,224	497,612,833

The main risks arising from the Group's financial instruments are capital management risk, foreign currency risk, credit risk, liquidity risk and interest rate risk. The Board regularly reviews and agrees policies for managing each of these risks and these are summarised below:

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Capital Management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to Shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 14, cash and cash equivalents and equity attributable to equity holders, comprising issued capital and retained earnings.

The Group's Board of Directors reviews the capital structure on a bi-annual basis.

Equity includes all capital and reserves of the Group that are managed as capital.

(b) Foreign Currency Risk

The Group's accounting policy under IFRS requires the use of a Sterling historic cost of the assets and the value of the USD debt as translated at the spot exchange rate on every statement of financial position date. In addition USD operating lease receivables are not immediately recognised in the statement of financial position and are accrued over the period of the leases. The Directors consider that this introduces an artificial variance due to the movement over time of foreign exchange rates. In actuality, the USD operating lease should offset the USD payables on amortising loans. The foreign exchange exposure in relation to the loans is thus largely hedged.

Lease rentals (as detailed in Notes 4 and 11) are received in USD and GBP. Those lease rentals received in USD are used to pay the debt repayments due, also in USD (as detailed in Note 14). Both USD lease rentals and debt repayments are fixed and are for similar sums and similar timings. The matching of lease rentals to settle debt repayments therefore mitigates risks caused by foreign exchange fluctuations.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	30 Sep 2016 GBP	31 Mar 2016 GBP
Debt (USD) - Liabilities	(509,288,485)	(497,354,666)
Cash and cash equivalents (USD) - Asset	24,558,483	7,867,819

The following table details the Group's sensitivity to a 25 per cent (31 March 2016: 15 per cent) appreciation and depreciation in GBP against USD. 25 per cent (31 March 2016: 15 per cent) represents the Directors' assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 25 per cent (31 March 2016: 15 per cent) change in foreign currency rates. A positive number below indicates an increase in profit and other equity where GBP strengthens 25 per cent (31 March 2016: 15 per cent) against USD. For a 25 per cent (31 March 2016: 15 per cent) weakening of the GBP against USD, there would be a comparable but opposite impact on the profit and other equity:

	30 Sep 2016 GBP	31 Mar 2016 GBP
Profit or loss	96,946,000	63,846,111
Assets	(4,911,697)	(1,026,237)
Liabilities	101,857,697	64,872,348

On the eventual sale of the Assets, the Company may be subject to foreign currency risk if the sale was made in a currency other than GBP. Transactions in similar assets are typically priced in USD.

(c) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The credit risk on cash transactions are mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, or with high credit ratings assigned by international credit rating agencies.

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit Risk (continued)

The Group's financial assets exposed to credit risk are as follows:

	30 Sep 2016 GBP	31 Mar 2016 GBP
Receivables (excluding prepayments)	35,912	35,912
Cash and cash equivalents	24,570,408	23,231,712
	24,606,320	23,267,624

Surplus cash in the Company is held in Barclays. Surplus cash in the Subsidiaries is held in accounts with Barclays, Westpac and ANZ, which have credit ratings given by Moody's of A2 (negative), Aa2 (negative) and Aa2 (negative) respectively.

There is a contractual credit risk arising from the possibility that the lessee may default on the lease payments. This risk is mitigated, as under the terms of the lease agreements between the lessee and the Group, any non-payment of the lease rentals constitutes a Special Termination Event, under which the lease terminates and the Group may either choose to sell the Asset or lease the Assets to another party.

At the inception of each lease, the Group selected a lessee with a strong balance sheet and financial outlook. The financial strength of Emirates is regularly reviewed by the Board and the Asset Manager.

(d) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in realising assets or otherwise raising funds to meet financial commitments. The Group’s main financial commitments are its ongoing operating expenses, loan repayments to Westpac, ANZ, ICBC, BoC and Commerzbank, and repayments on equipment notes.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which established an appropriate liquidity management framework at the incorporation of the Group, through the timings of lease rentals and debt repayments. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by monitoring forecast and actual cash flows, and by matching profiles of financial assets and liabilities.

The table below details the residual contractual maturities of financial liabilities, including estimated interest payments. The amounts below are contractual undiscounted cash flows, including both the principal and interest payments, and will not agree directly to the amounts recognised in the statement of financial position:

30 Sep 2016	1-3 months GBP	3-12 months GBP	1-2 years GBP	2-5 years GBP	over 5 years GBP
Financial liabilities					
Payables - due within one year	255,739	-	-	-	-
Bank loans	10,427,796	31,283,387	41,711,183	125,133,549	42,600,072
Equipment Notes	27,996,593	27,985,285	55,935,830	156,315,632	75,028,570
	38,680,128	59,268,672	97,647,013	281,449,181	117,628,642

31 Mar 2016	1-3 months GBP	3-12 months GBP	1-2 years GBP	2-5 years GBP	over 5 years GBP
Financial liabilities					
Payables - due within one year	258,167	-	-	-	-
Bank loans	9,419,872	28,259,617	37,679,489	113,038,468	57,322,206
Equipment Notes	30,916,404	25,290,516	50,550,202	143,822,234	90,420,161
	40,594,443	53,550,133	88,229,691	256,860,702	147,742,367

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows. It is the risk that fluctuations in market interest rates will result in a reduction in deposit interest earned on bank deposits held by the Group.

The Group mitigates interest rate risk by fixing the interest rate on its debts and the lease rentals.

The following table details the Group's exposure to interest rate risks:

	Variable interest	Fixed interest	Non-interest Bearing	Total
	GBP	GBP	GBP	GBP
30 Sep 2016				
Financial assets				
Receivables	-	-	69,657	69,657
Cash and cash equivalents	24,570,408	-	-	24,570,408
Total Financial Assets	24,570,408	-	69,657	24,640,065
Financial liabilities				
Payables	-	-	255,739	255,739
Bank loans	-	210,481,534	-	210,481,534
Equipment Notes	-	290,746,792	-	290,746,792
Total Financial Liabilities	-	501,228,326	255,739	501,484,065
Total interest sensitivity gap	24,570,408	501,228,326		

	Variable interest	Fixed interest	Non-interest Bearing	Total
	GBP	GBP	GBP	GBP
31 Mar 2016				
Financial Assets				
Receivables	-	-	51,738	51,738
Cash and cash equivalents	23,231,712	-	-	23,231,712
Total Financial Assets	23,231,712	-	51,738	23,283,450
Financial liabilities				
Payables	-	-	258,167	258,167
Bank loans	-	203,022,158	-	203,022,158
Equipment notes	-	285,876,101	-	285,876,101
Total Financial Liabilities	-	488,898,259	258,167	489,156,426
Total interest sensitivity gap	23,231,712	488,898,259		

If interest rates had been 50 basis points higher throughout the period and all other variables were held constant, the Group's net assets attributable to Shareholders as at 30 September 2016 would have been £122,852 (31 March 2016: £116,159) greater due to an increase in the amount of interest receivable on the bank balances.

If interest rates had been 50 basis points lower throughout the period and all other variables were held constant, the Group's net assets attributable to Shareholders as at 30 September 2016 would have been £122,852 (31 March 2016: £116,159) lower due to a decrease in the amount of interest receivable on the bank balances.

18 ULTIMATE CONTROLLING PARTY

In the opinion of the Directors, the Group has no ultimate controlling party.

19 SUBSEQUENT EVENTS

On 12 October 2016, a further dividend of 4.5 pence per Ordinary Share was declared and this was paid on 28 October 2016.

On 23 November 2016 and 25 November 2016, the Company placed £10 million and $3.47 million respectively, with Royal London Asset Management in order to achieve a more competitive return on the cash held by the Company and to protect against counterparty default.

20 RELATED PARTY TRANSACTIONS

Doric GmbH ("Doric") and Doric Asset Finance GmbH & Co KG ("Doric KG") are the Group's Asset Manager and Agent (the agent is appointed to assist with the purchase of the aircraft , the arrangement of suitable equity and debt finance and the negotiation and documentation of the lease and financing contracts) respectively. Doric received a fee as at the admission to trading on the SFM of the Ordinary Shares, equal to 0.6556 per cent of £463,371,795 being the aggregate value of the Ordinary Shares in the Company issued under the Ordinary Share placing together with the amounts of debt financing expected to be received by the Company (otherwise known as the "Initial Gross Proceeds of the Ordinary Shares"). Doric also received a fee following the agreement by the Group of the principal contracts relating to the acquisition of the Third Asset equal to 0.3278 per cent of the Initial Gross proceeds of the Ordinary Shares. Under the Asset Management agreement, the Company will pay Doric a management and advisory fee of £250,000 per annum per Asset (adjusted annually for inflation from 2013 onwards, at 2.25 per cent per annum), payable quarterly in arrears (the Annual Fee), save that Doric shall only become entitled to such Annual Fee in relation to each Asset following the acquisition of such Asset by the Company. The Annual Fee for each Asset shall be calculated from the date of acquisition of the Asset.

Under the remuneration terms of the Agency Agreement with Doric KG, the Company paid a fee to Doric KG of 0.95% of the aggregate amounts raised to purchase the fourth to seventh aircraft acquired by the Group, plus 0.35% of the debt proceeds to acquire those aircraft raised through The Enhanced Equipment Trust Certificate issue.

Following the disposal of the first three Assets, Doric will be paid an initial interim amount ("Initial Interim Amount") as follows:

If the sale price realised for the first 3 Assets to be sold by the Group, net of costs and expenses (the "Interim Net Realised Value") is less than the "Relevant Proportion" (being 3/X, where X is the aggregate of: (i) the number of Assets the lessor has legal beneficial title to immediately following the third disposal of an Asset and (ii) the number of Assets sold immediately following the third disposal of an Asset) of the aggregate of (i) the Ordinary Share placing proceeds and (ii) proceeds of any further issue of shares (of any class) by the Company including the C Share Placing (the "Total Subscribed Equity"), Doric will not be entitled to an Initial Interim Amount;

If the Interim Net Realised Value is between 100 per cent. (inclusive) and 150 per cent. (inclusive) of the Relevant Proportion of the Total Subscribed Equity, Doric will be entitled to an Initial Interim Amount of 2 per cent. of the sale price realised for the first 3 Assets ("Interim Realised Value");

If the Interim Net Realised Value is greater than 150 per cent of the Relevant Proportion of the Total Subscribed Equity, Doric will be entitled to an Initial Interim Amount of 3 per cent. of the Interim Realised Value.

Following the disposal of a further three Assets, Doric will be paid a cash amount equal to 1.75 per cent. of the gross sales proceeds following the disposal of each remaining Asset (such payments in the aggregate being the "Subsequent Interim Amount"), except for the final Asset, ie. fourth to sixth assets.

Following the disposal of the final Asset, and prior to the liquidation of the Group, if the Disposition Fee (as defined overleaf) is payable, where the aggregate of the Initial Interim Amount and the Subsequent Interim Amount is less than the Disposition Fee payable, the Group shall pay the difference to Doric.

Doric shall be paid a disposition fee (the Disposition Fee) as follows: (a) Doric will not be entitled to the Disposition Fee (but for the avoidance of doubt will be entitled to reimbursement for properly incurred costs and expenses) if the aggregate realised value of the Assets net of costs and expenses (the "Aggregate Net Realised Value") is less than the Total Subscribed Equity; (b) if the Aggregate Net Realised Value is between 100 per cent (inclusive) and 150 per cent (inclusive) of the Total Subscribed Equity, Doric shall be entitled to a Disposition Fee of 2 per cent. of the Aggregate Realised Value; (c) if the Aggregate Net Realised Value is greater than 150 per cent of the Total Subscribed Equity, Doric shall be entitled to a Disposition Fee of 3 per cent. of the aggregate of the realised value of the Assets (the "Aggregate Realised Value").

20 RELATED PARTY TRANSACTIONS (continued)

During the period, the Group incurred £962,313 (30 September 2015: £984,330) of expenses with Doric, of which £nil (31 March 2016: £139) was outstanding to this related party at 30 September 2016.

Nimrod Capital LLP ("Nimrod") is the Company's Placing Agent and Corporate and Shareholder Adviser. In consideration for Nimrod acting as placing agent in the initial Ordinary Share Placing of July 2011, the Company agreed to pay Nimrod at Admission, a placing commission equal to 0.2186 per cent of the Initial Gross Proceeds of the initial Ordinary Share Placing. Nimrod also received a placing commission following the acquisition of the third Asset by the Company equal to 0.1092 per cent of the Initial Gross Proceeds of the initial Placing.

In consideration for Nimrod acting as Placing Agent, the Group agreed to pay Nimrod, on the acquisition of the Fourth Asset, a placing commission equal to 0.3166 per cent of Initial Gross Proceeds of the March 2012 C Share Placing.

The Group shall pay to Nimrod for its services as Corporate and Shareholder Adviser a fee £200,000 per annum (adjusted annually for inflation from 2013 onwards, at 2.25 per cent per annum) payable quarterly in arrears. From the date the Group acquired the Third Asset, the Group shall pay Nimrod an additional fee of £100,000 per annum (adjusted annually for inflation from 2013 onwards, at 2.25 per cent per annum) payable quarterly in arrears. Furthermore, the Group paid to Nimrod from the date of the C Share Placing an additional annual fee of 0.03714 per cent of the placing proceeds (adjusted annually for inflation from 2013 onwards at 2.25 per cent. per annum) in respect of the issue of C Shares for the acquisition of the fourth to seventh assets. Such fee will be increased to an annual fee of 0.2248 per cent. of the C Share Placing Proceeds (adjusted annually for inflation from 2013 onwards at 2.25 per cent. per annum) from the date the Group acquired the fourth Asset and shall be payable quarterly in arrears.

During the period, the Group incurred £399,910 (30 September 2015: £386,854) of expenses with Nimrod, of which £197,779 (31 March 2016: £193,427) was outstanding to this related party at 30 September 2016. £399,910 (30 September 2015: £386,854) of expenses related to management fees as shown in Note 5.

John Le Prevost is a director of Anson Registrars Limited (“ARL”), the Group’s registrar, transfer agent and paying agent. During the period, the Group incurred £10,316 (30 September 2015: £12,441) of costs were incurred with ARL, of which £nil (31 March 2016: £1,010) was outstanding as at 30 September 2016.

Doric Nimrod Air Two Limited (the "Company")

ADVISERS AND CONTACT INFORMATION

KEY INFORMATION

Exchange	Specialist Fund Segment of the London Stock Exchange's Main Market
Ticker	DNA2
Listing Date	14 July 2011
Fiscal Year End	31 March
Base Currency	GBP
ISIN	GG00B3Z62522
SEDOL	B3Z6252
Country of Incorporation	Guernsey – Registration number 52985

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