

19 November 2014

DP AIRCRAFT I LIMITED (the “Company”)

QUARTERLY UPDATE

The Company is issuing this report for the period from 1 July 2014 to the date of publication as an investor update. It should not be relied on by Shareholders, or any other party, as the basis for an investment in the Company or for any other purpose.

Overview

DP Aircraft I Limited, a Guernsey based company, was launched in October 2013. Its US\$ 113 million placing was oversubscribed. The company has acquired two Boeing B787-8 aircraft, leased to Norwegian Air Shuttle ASA, with the two aircraft delivered in June 2013 and August 2013 respectively. DP Aircraft I Limited took over title to the aircraft, EI-LNA and EI-LNB, on 9 October 2013. Since that date all lease obligations have been met in full by Norwegian and no incidents of note concerning operations of the aircraft have occurred.

The Company has so far paid out as scheduled four dividends of 2.25 cents each. The Company pays out dividends on a quarterly basis and targets a yearly distribution of 9 per cent on the initial placing price of US\$ 1.00. The most recent interim dividend payment was made on 14 November 2014. The quarterly distributions are targeted for February, May, August and November in each year.

Company Information

Ticker	DPA
Company Number	56941
ISIN Number	GG00BBP6HP33
SEDOL Number	BBP6HP3
Traded	Specialist Fund Market
SFM Admission Date	4 October 2013
Share Price	106.75p as at 18 November 2014
Listed	Channel Islands Stock Exchange
CISE Listing Date	4 October 2013
Country of Incorporation	Guernsey
Current Shares in Issue	113,000,000 Ordinary Shares
Administrator and Company Secretary	Dexion Capital (Guernsey) Limited
Asset Manager	DS Aviation GmbH & Co. KG
Auditor and Reporting Accountant	KPMG
Corporate Broker	Canaccord Genuity Limited
Aircraft Registration (Date of Delivery)	EI-LNA (28 June 2013) EI-LNB (23 August 2013)
Manufacturer Serial Number	MSN 35304 MSN 35305
Aircraft Type and Model	B787-8
Lessee	Norwegian Air Shuttle ASA
Website	http://www.dpaircraft.com

The company's investment objective is to obtain income returns and a capital return for its Shareholders by acquiring, leasing and then, when the Board considers it is appropriate, selling the aircraft.

Aviation Market

The aviation industry plays a key role in the global economy. Today, according to the International Air Transport Association (“IATA”), 52 per cent. of tourists worldwide travel by air, which in turn supports 35 million jobs and contributes more than US\$ 800 billion to the global GDP. Furthermore, the organisation expects that global passenger traffic will increase by 5.8 per cent in 2014 and it assumes

that this year around 3.3 billion passengers will be transported on 50,000 different routes by commercially operating airlines and that the airlines will generate a profit of around US\$ 18.0 billion.

Demand for air travel remained strong in September. According to IATA, total revenue passenger kilometres (“RPKs”) increased by 5.3 per cent. compared to the same month in the previous year. On a year to date comparison air travel demand measured in RPK has climbed by 5.9 per cent. Global air freight demand (“FTK” freight tonne kilometres) – often used as an indicator for the development of passenger air traffic – increased globally by 5.2 per cent. in September compared to the same month the previous year.

Both Boeing (Current Market Outlook 2014-2033) and Airbus (Global Market Forecast 2014-2033) continue to work on the assumption in their latest market forecasts that the global passenger fleet will double by 2033. Airbus is of the opinion that European airlines will have the second largest growth rate of newly delivered aircraft over the next 20 years. Moreover Boeing expects that global passenger traffic will grow annually by 5 per cent on average. Last but not least, Airbus has pointed to the fact that there has been a growth of 73 per cent in RPKs over the last ten years (2003 to 2013) which highlights that in the long term air traffic is resilient to external shocks.

The Assets: Boeing B787s

Alongside the Airbus A350 (which is expected to enter into service by the end of this year), the Boeing 787 Dreamliner remains the latest technological, mid-sized wide-body aircraft available in the market. As fuel costs have significantly climbed over the last ten years, accounting for about 30 per cent of an airline’s overall unit costs, and as competition between carriers is increasing, the need to stabilise or preferably to decrease unit costs has intensified the airlines’ demand for new more fuel- and operating cost-efficient aircraft like the Boeing 787.

The Dreamliner remains in high demand. As of 30 September 2014 1,054 aircraft from the Boeing 787 family have been ordered and production is fully sold out until 2019. Around 60 airlines such as British Airways, Qatar Airways and American Airlines have placed orders, and 23 airlines from across all continents are already operating B787s commercially. There have been 198 aircraft delivered, nearly 155,000 commercial flights have been undertaken and around 320,000,000 miles have been flown, as well as more than 28 million passengers transported (as at 22 October 2014).

Norwegian Air Shuttle ASA is operating a long-haul fleet which currently consists of seven B787-8s, and reports that both the airline and its customers are highly satisfied with this type of aircraft. The carrier operates the aircraft in a two-class configuration seating 32 premium economy plus 259 economy passengers.

In the first weeks of September this year both aircraft EI-LNA and EI-LNB were physically inspected at Stockholm Arlanda Airport. The inspection took place during the Phase Check `P6`. Both aircraft appear to have been maintained to a very high standard. The chart below gives a short overview of the utilisation of the airframe and engines of both aircraft EI-LNA and EI-LNB. One of LNA’s engines, Engine Serial Number (ESN) 10119, as well as one of LNB’s engines, ESN 10135, have been removed in the second quarter this year to undergo an upgrade at Rolls Royce’s Derby facilities. The upgrade of ESN 10135 was completed mid-August. The upgrade extends the maintenance intervals for the engines and will soon be completed for all four engines.

AIRFRAME STATUS	EI-LNA (30 September 2014)		EI-LNB (30 September 2014)	
Flight hours	5,066		5,375	
Cycles	679		705	
Flight hours/Cycles Ratio	7.46 : 1		7.62 : 1	
ENGINE DATA	EI-LNA (30 September 2014)		EI-LNB (30 September 2014)	
Engine Serial Number	10118	10119	10130	10135
Engine Manufacturer	Rolls-Royce	Rolls-Royce	Rolls-Royce	Rolls-Royce
Engine Type and Model	Trent 1000	Trent 1000	Trent 1000	Trent 1000
Total Time [flight hours]	3,957:59	4,127:10	2,046:39	3,503:32
Total Cycles	573	594	191	423

Norwegian Air Shuttle ASA

Norwegian Air Shuttle - Scandinavia's second largest airline – has been operating since 1993 and transported more than 20 million passengers in 2013. The carrier's passenger numbers increased in September this year by 16 per cent. compared to the same month of the previous year. Since May 2013 the airline has offered long-haul services; currently operating with seven B787-8s of which five are leased and two are owned by the carrier. Norwegian's long-haul operation flies to Bangkok and five destinations within the USA including New York and Fort Lauderdale. Flights to the USA are operated both from Scandinavia as well as from London-Gatwick. The airline is waiting to receive its eighth Boeing 787, and launched flights from Copenhagen to Bangkok this October. Next spring new routes from Copenhagen and Gatwick to Orlando will be opened and frequencies between Gatwick and New York will be doubled.

The airline sees high growth potential in the business travel market. Over time it is expected that Norwegian's brand awareness will increase, and as internal travel policies impose more cost-conscious restrictions it is likely that the number of business travellers will rise. The airline has received a variety of awards including "Europe's Best Low-Cost Carrier of the Year" from Sky Trax World Airline Awards and "Best Inflight Connectivity and Communication" from Passenger Choice Awards. This fact positively contributes to Norwegian's brand awareness and additionally proves high customer satisfaction.

In the third quarter, operating revenue increased by 30 per cent. compared to the same quarter of the previous year, whereas net profit decreased from 436 million NOK to 374 million NOK. Net profit margin of 5.9 per cent in the third quarter is above the one for the full year 2013. Yields are under pressure due to economic uncertainty, political instability as well as a weak Norwegian Krone (NOK) and a general increase in competition in the Nordic region. However, ASK ("Available Seat Kilometres") and RPK increased by 36 per cent. and 41 per cent. respectively. Ancillary revenues, which are an important part of Norwegian's business model, further increased by 37 per cent. Load factor climbed by 3 percentage points to 85 per cent.

The objective to grow further is an essential part of Norwegian's business strategy enabling the carrier to profit from economies of scale. As this year's third quarter results show, the airline has continued to grow in its major source markets. At Oslo Airport the carrier holds a market share of 39 per cent. attaining 48 per cent of the market growth compared to the same period of the previous year. Furthermore, Norwegian Air Shuttle ASA has focused on cost reduction and has succeeded in decreasing unit costs (exclusive of fuel) by 4 per cent. in the third quarter compared to the same period in 2013. Norwegian's lower cost level compared to that of the legacy carrier SAS offers Norwegian a strategic advantage, as SAS is the carrier with whom Norwegian has the highest volume-weighted city-pair overlap.

Norwegian is emphasising its move towards further international growth and has established two fully owned subsidiaries, each of them operating with its own air operator's certificate (AOC). Long-haul destinations will be operated by Norwegian Air International (NAI) with an Irish AOC, which was granted by Ireland in February of this year. The process of obtaining a licence to operate transatlantic flights from the US Department of Transportation is still ongoing, but the airline is being supported in this by the European Commission which has made a formal request for a meeting on 9 October with the US Department of Transportation to accelerate the granting of the permit. The meeting is scheduled for later this month in Washington. In any event, Norwegian's current flight schedule is not dependent upon or affected by this approval procedure, and the carrier continues to expand its long-haul network, adding more aircraft with a view to operating a fleet of twelve B787s by 2016 and of 17 Dreamliners by 2018, bringing it closer to its target fleet size of 20-25 aircraft.

Material Events since 30 June 2014

July 2014

Interim Dividend (21 July 2014)

The Company declared an interim dividend, in respect of the quarter ended 30 June 2014, of 2.25 cents per Share, to holders of Shares on the register at 1 August 2014. The ex-dividend date was 30 July 2014, and payment was made on 15 August 2014.

August 2014

Unaudited Interim Report (29 August 2014)

The Company issued its Unaudited Interim Report for the period from 1 January 2014 to 30 June 2014. The Interim Report also included figures for the period since incorporation on 5 July 2013 to 30 June 2014.

October 2014

Interim Dividend (21 October 2014)

The Company declared an interim dividend, in respect of the quarter ended 30 September 2014, of 2.25 cents per Share, to holders of Shares on the register at 31 October 2014. The ex-dividend date was 30 October 2014, and payment was made on 14 November 2014.

Investor Information

The latest available portfolio information can be accessed by eligible Shareholders via www.dpaircraft.com

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