DP AIRCRAFT I LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM REPORT

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2016

COMPANY OVERVIEW

DP Aircraft I Limited (the 'Company') was incorporated with limited liability in Guernsey under the Companies (Guernsey) Law, 2008 on 5 July 2013 with registered number 56941.

The Company was established to invest in aircraft. The Company is a holding company, and makes its investment in aircraft through four wholly owned subsidiary entities, DP Aircraft Guernsey I Limited, DP Aircraft Guernsey II Limited, DP Aircraft Guernsey III Limited and DP Aircraft Guernsey IV Limited (collectively and hereinafter, the 'Borrowers'), each being a Guernsey incorporated company limited by shares and two intermediate lessor companies, DP Aircraft Ireland Limited and DP Aircraft UK Limited (the 'Lessors'), an Irish incorporated private limited company and a UK incorporated private limited company respectively. The Company and its subsidiaries (the Borrowers and the Lessors) comprise the 'Group'.

Pursuant to the Company's Prospectus dated 27 September 2013, the Company offered 113,000,000 Ordinary Shares of no par value in the capital of the Company at an issue price of US$ 1.00 per Share by means of a Placing. The Company's Shares were admitted to trading on the Official List of the Channel Islands Securities Exchange and to trading on the Specialist Fund Segment of the London Stock Exchange on 4 October 2013. As the Individual Savings Account ("ISA") Regulations were amended last year so that shares traded on the Specialist Fund Segment are now eligible in their own right for inclusion in an ISA, on 27 May 2015, the Company delisted its Shares from the Official List of the Channel Islands Securities Exchange.

On 5 June 2015, the Company offered 96,333,333 Ordinary Shares (the 'New Shares') of no par value in the capital of the Company at an issue price of US$ 1.0589 per Share by means of a Placing. The Company's New Shares were admitted to trading on the Specialist Fund Segment of the London Stock Exchange on 12 June 2015.

In total there are 209,333,333 Ordinary Shares in issue with voting rights.

INVESTMENT OBJECTIVE & POLICY

The Company's investment objective is to obtain income and capital returns for its Shareholders by acquiring, leasing and then, when the Board considers it appropriate, selling aircraft (the 'Asset' or 'Assets').

To pursue its investment objective, the Company has used the net proceeds of placings and other equity capital raisings, together with loans and borrowings facilities, to acquire aircraft which have been leased to two international airlines.

THE BOARD

The Board comprises independent non-executive directors. The directors of the Board are responsible for managing the business affairs of the Company in accordance with the Articles of Incorporation and have overall responsibility for the Company's activities, including portfolio and risk management while the asset management of the Group is undertaken by DS Aviation GmbH & Co. KG (the 'Asset Manager').

THE ASSET MANAGER

The Asset Manager has undertaken to provide the asset management services to the Company under the terms of an asset management agreement but does not undertake any regulated activities for the purpose of the UK Financial Services and Markets Act 2000.

DISTRIBUTION POLICY

The Company aims to provide Shareholders with an attractive total return comprising income, from distributions through the period of the Company's ownership of the Assets, and capital, upon any sale of the Assets. The Company targets a quarterly distribution in February, May, August and November of each year. The target distribution is US$ 0.0225 per share per quarter. Two quarterly dividends have been paid during the period ended 30 June 2016 and one has been paid subsequent to the period end, each meeting the US$ 0.0225 per share target. The target dividends are targets only and should not be treated as an assurance or guarantee of performance or a profit forecast. Investors should not place any reliance on such target dividends or assume that the Company will make any distributions at all.

FACT SHEET

Ticker	DPA
Company Number	56941
ISIN Number	GG00BBP6HP33
SEDOL Number	BBP6HP3
Traded	Specialist Fund Segment ('SFS') of the London Stock Exchange
SFS Admission Date	4-Oct-13
Share Price	US$ 1.025 at 30 June 2016
Earnings per share	US$ 0.0487 for the period ended 30 June 2016
Country of Incorporation	Guernsey
Current Shares in Issue	209,333,333
Administrator and Company Secretary	To 18 July 2016:
	Fidante Partners (Guernsey) Limited
	From 19 July 2016:
	Aztec Financial Services (Guernsey) Limited
Asset Manager	DS Aviation GmbH & Co. KG
Auditor and Reporting Accountant	KPMG, Chartered Accountants
Corporate Broker	Canaccord Genuity Limited
Aircraft Registrations	LN-LNA
	LN-LNB
	HS-TQD
	HS-TQC
Aircraft Serial Numbers	35304
	35305
	35320
	36110
Aircraft Type and Model	B787-8
Lessees	Norwegian Air Shuttle ASA
	Thai Airways International Public Company Limited
Website	www.dpaircraft.com

HIGHLIGHTS

PROFIT FOR THE PERIOD

Profit for the period ended 30 June 2016 is US$ 10,185,921 (Earnings per Share US$ 0.0487 per Share) (period ended 30 June 2015 US$ 5,226,004 (Earnings per Share US$ 0.0426 per Share)).

NET ASSET VALUE ('NAV')

The NAV was US$ 0.9651 per Share at 30 June 2016 (31 December 2015: US$ 0.9824).

Although the fair values of the derivatives will move over their terms, at maturity the derivatives fair values will reduce to nil.

	As at 30 June 2016 US$ per share	**As at 31 December 2015 US$ per share**
NAV including swap liabilities	0.9651	0.9824
NAV excluding swap liabilities	1.0120	1.0083

INTERIM DIVIDENDS

Dividends were declared on:

Date	**Dividend reference period**	**Dividend per Share**	**Payment date**
20 January 2016	Quarter ended 31 December 2015	US$ 0.0225 per Share	12 February 2016
26 April 2016	Quarter ended 31 March 2016	US$ 0.0225 per Share	20 May 2016
18 July 2016	Quarter ended 30 June 2016	US$ 0.0225 per Share	15 August 2016

OFFICIAL LISTING

The Company's Shares were first admitted to trading on the Official List of the Channel Islands Securities Exchange and to trading on the Specialist Fund Segment of the London Stock Exchange on 4 October 2013. The Company's Shares were delisted from the Official List of the Channel Islands Securities Exchange on 27 May 2015.

CHAIRMAN'S STATEMENT

I am pleased to present Shareholders with the Interim Report of the Company for the six month period to 30 June 2016.

The total shareholder return for the period was US$ 0.0487 per share compared to US$ 0.0426 per share for the same period last year.

The first interim dividend for 2016 was paid on 20 May 2016, with the second interim dividend being declared on 18 July 2016, with a payment date of 15 August 2016. The Lessees are continuing to perform as expected.

As stated in the Asset Manager's report, 2015 saw the strongest traffic growth in five years and the International Air Transport Association (IATA) is confident that air traffic demand will remain strong for 2016. The IATA expects global airline profits to be US$ 39.4 billion for 2016, with 3.8 billion passengers travelling by air.

Following the sad loss of Didier Benaroya in January 2016, the Board announced the appointment of Angela Behrend-Goernemann as a non-executive director of the Company, with effect from 1 May 2016.

Angela has extensive experience in the transportation and banking industries, with more than 20 years aviation experience and has already proven that she is a strong addition to the Board.

On 19 July 2016, following a strategic review by Fidante Partners (Guernsey) Limited and discussions with the Company, the Company appointed Aztec Financial Services (Guernsey) Limited ('Aztec') as its Administrator in Guernsey. Key staff within Fidante Partners (Guernsey) Limited with responsibility for the Group's administration also transferred to Aztec, ensuring continuity of services is provided.

Jon Bridel
Chairman
22 August 2016

ASSET MANAGER'S REPORT

The Aviation Market - Overview and Development
The development in the aviation sector remains positive. In June 2016, the International Air Transport

Association (IATA) raised its net profit outlook for 2016. It expects global airline profits to amount to US$ 39.4 billion. This would mark the 5th year in a row of improving aggregated profits notwithstanding the assumption that global GDP will increase by 2.3 per cent which would be the slowest growth since 2010. In regard to this year´s expected net profits, the regions of Asia-Pacific and Europe will only be outperformed by airlines in North-America. Yields are expected to fall by 7 per cent whereas passenger demand (Revenue Passenger Kilometres (RPK)) is forecasted to increase by 6.2 per cent which would be above historical average. Regarding traffic growth, the regions of Asia-Pacific and Europe will only be outperformed by carriers from the Middle East. Load factors are assumed to remain high at 80.0 per cent. IATA sees efficiency gains both through higher load factors, lower oil prices and more fuel-efficient aircraft (e.g. Boeing 787), as well as joint ventures, consolidations and airline alliances.

Air transport supports economic development worldwide by increasing numbers of served city-pairs, which will be more than 18,000 this year. This is a doubling over the last 20 years while the price of air travel (excluding inflation) had halved compared to the same period. Especially in connection with increasing globalisation, the importance of air travel has grown. This year, the targeted customer segment of tourists worldwide is expected to spend US$ 657 billion for air travel. Even governments are benefitting from air travel. IATA expects for 2016 that governments will generate an amount of US$ 118 billion in tax revenues from airlines and its passengers. Furthermore the organisation anticipates that around 1,900 new aircraft will be delivered by the manufacturers of which half will replace older less fuel- and cost-efficient aircraft. Consequently the global commercial fleet will account for almost 28,000 aircraft while the average size of aircraft is slightly growing as well.

In the beginning of the year, demand in air traffic had been strong. During the month of April and May, the international European market had been affected by the terrorist attacks in Brussels. However, passenger demand in the first five months of 2016 increased by 6.0 per cent on average whereas capacity (Available Seat Kilometres (ASK)) grew by 6.2 per cent compared to the same period in the previous year. The industry-wide load factor remained nearly stable whereas the passenger load factor of the European and the Asia-Pacific region slightly improved.

The two main aircraft manufacturers Airbus and Boeing expect, according to their latest Global Market Forecast (Airbus) and Current Market Outlook (Boeing), that the global passenger and freighter fleet will double from today's fleet size to 39,820 aircraft and 45,240 aircraft respectively, within the next 20 years. Airbus expects 33,070 new aircraft to be delivered of which 60 percent will be needed for fleet growth and 40 per cent for replacement of older aircraft. The European manufacturer anticipates that wide-body aircraft will account for 54 per cent of the value in regard to new aircraft deliveries. According to Boeing 40 per cent of new aircraft deliveries will be made to Asian airlines whereas Europe and North America together will receive another 40 per cent of these deliveries within the next 20 years.

In June, the British people voted for the exit of the UK from the European Union (EU). The so-called "Brexit" caused some degree of uncertainty and may generally affect the economic activity as well as the sterling exchange rate. On the one hand, this might result in a delay of spending and investment decisions and on the other hand, a weak pound could slow down the British outbound travel. This might be in turn off-set or diluted by increasing inbound travel. However, any tentative long-term impact on the aviation market remains uncertain as long as the UK government and the EU have not clarified the political framework which shall come into effect after the exit from the EU. There are several possibilities and amongst others, the UK might enter into bilateral agreements with the EU or become a member of the European Common Aviation Area (ECAA).

The Assets - Four Dreamliner Boeing 787-8s

The Boeing 787 Dreamliner is a two engine, long range mid-size aircraft, with a passenger capacity ranging from 242 seats (B787-8) to 330 seats (B787-10), in a two-class (Business and Economy class) configuration. The B787 is a favoured aircraft which is operated on all continents across different climatic conditions and by airlines with different business models. The aircraft is not only deployed on intercontinental routes but also operated on regional and domestic routes. According to Ascend, the aircraft model is deployed on nearly 370 different routes, of which a quarter are either new city pairs or at least new routes for the operating air carrier. While many carriers immediately use the B787 aircraft to open new routes, they also employ them to replace older and less cost-efficient aircraft such as B767s and A340s, as well as to enhance the on-board experience of their passengers. By the end of June 2016, 1,155 Boeing 787s had been ordered by 63 different customers. 431 Dreamliner Boeing 787 aircraft had been delivered to 42 customers (airlines and lessors). The number of deliveries includes 306 aircraft of the B787-8 variant, whereas the current backlog of all three different B787 types counts for 724 aircraft.

Norwegian has equipped its B787 fleet with a total of 291 seats, of which 32 are premium economy and 259 are economy class seats. This type of aircraft is used to fly from Europe to destinations in Asia, America and the Caribbean including, amongst others, Boston, Los Angeles, San Juan and Bangkok. Since the acquisition by DP Aircraft I Limited of the two aircraft LNA and LNB in 2013, Norwegian has met all of its lease obligations in full. In November 2015, both aircraft LNA and LNB were inspected by DS Skytech Limited at the Boeing maintenance facilities at Copenhagen International Airport. Both aircraft and their technical records were found to be in good condition with no significant defects or airworthiness related issues. The next inspection is planned to take place at the end of the year.

Thai Airways´ B787 fleet offers a total of 264 seats, of which 24 are business and 240 are economy class seats. The carrier operates this aircraft type on routes within the Asia-Pacific region such as Beijing, Sapporo and Delhi, as well as to and from destinations in Australia such as Brisbane and Perth. Since DP Aircraft I acquired the two aircraft TQC and TQD in 2015, Thai Airways has met all of its lease obligations in full. Both aircraft, TQC and TQD, were inspected by DS Skytech Limited in July 2015 at Bangkok International Airport. The inspection found the aircraft to be in good condition with no significant defects or airworthiness related issues and their records are being maintained to an acceptable standard. The next inspection is planned for August 2016.

The two charts below give a short overview of the utilisation of airframe and engines of each of the four aircraft. Both LNA's and LNB's engines had completed an upgrade, which extends the maintenance intervals for the engines, at Rolls Royce's Derby facilities in June 2015. The engines of TQC and TQD had already been upgraded prior to delivery.

The charts below give a short overview of the utilisation of airframe and engines of each of the four Aircraft:

AIRFRAME STATUS (30th June 2016)	Norwegian Air Shuttle			
	LN-LNA		LN-LNB	
	TOTAL	June 2016	TOTAL	June 2016
Flight Hours	13,331	439	14,783	464
Flight Cycles	1,617	49	1,810	58
Average Monthly Utilisation	369.3 hours 44.6 cycles	---	431.4 hours 52.7 cycles	---
Flight Hours/Flight Cycles Ratio	8.24 : 1	8.96 : 1	8.17 : 1	8.00 : 1

ENGINE DATA (30th June 2016)	Norwegian Air Shuttle			
	LN-LNA		LN-LNB	
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]	11,568	8,981	9,179	9,708
Total Flight Cycles	1,429	1,155	1,009	1,158
Location	LNA	LNF	LNA	LNB

AIRFRAME STATUS (30th June 2016)	Thai Airways International			
	HS-TQC		HS-TQD	
	TOTAL	June 2016	TOTAL	June 2016
Flight Hours	6,993	353	6,061	364
Flight Cycles	1,758	70	1,550	73
Average Monthly Utilisation	338 hours 85 cycles	---	314 hours 80 cycles	---
Flight Hours/Flight Cycles Ratio	3.98 : 1	5.04 : 1	3.91 : 1	4.99 : 1

ENGINE DATA ((30th June 2016)	Thai Airways International			
	HS-TQC		HS-TQD	
Engine Serial Number	10239	10240	10244	10248
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]	6,993	6,993	6,061	6,061

Total Flight Cycles	1,758	1,758	1,550	1,550
Location	TQC	TQC	TQD	TQD

The Lessees

Norwegian Air Shuttle ASA

Norwegian Air Shuttle is the third largest low cost carrier in Europe with its headquarters in Fornebu near Oslo and offers commercial air services since 1993. In 2013 Norwegian launched long-haul services and operates as at 30th June 2016 a total of 450 routes to 140 destinations on four continents. The airline has a fleet of 110 passenger aircraft, excluding wet-leased aircraft. The fleet includes 100 Boeing 737s and ten Boeing 787s. The airline received two Boeing 787-9s in the first half of 2016 and expects two more to be delivered by the end of the year. In April 2016, the U.S. Department of Transportation (DOT) tentatively decided to grant a foreign air carrier permit to the carrier´s Irish subsidiary, whereas a tentative approval for Norwegian´s UK subsidiary was rejected this June. Final decisions of both applications are under review by the DOT and supported by the European Commission and the British Government respectively. However, the pending final approvals do not affect the carrier´s current long-haul schedule.

In the second quarter 2016, Norwegian Air Shuttle ASA transported 7.72 million passengers which is an increase of 11 per cent compared to the same quarter in the previous year. ASKs and RPKs increased by 12 per cent and 16 per cent respectively. The passenger load factor therefore increased by 3 percentage point to 88 per cent. Operating revenues grew by 13 per cent to NOK 6,632 million (US$ 791 million) and EBITDAR increased by 53 per cent to NOK 1,965 million (US$ 234 million). Operating profit was NOK 1,006 million (US$ 120 million) which marks an increase of 93 per cent.

Net profit was up 129 per cent and augmented to NOK 745 million (US$ 89 million). Ancillary revenues per passenger increased by 5 per cent and cash and cash equivalents as at 30th June 2016 were NOK 3,010 million (US$ 359 million).

In the first half of 2016, Norwegian´s operating revenues amounted to NOK 11,593 million (US$ 1,383 million), an increase of 17 per cent compared to the same period in the previous year. ASKs and RPKs increased by 15 per cent and 18 per cent respectively. The passenger load factor therefore rose to 87 per cent, a gain of 3 percentage points. The carrier stated an operating profit of NOK 111 million (US$ 13 million) after an operating loss of NOK 202 million (US$ 26 million) in the second half of last year. The carrier's net loss was NOK 55 million (US$ 7 million) compared to a net loss of NOK 213 (US$ 27 million) in the same period 2015. Unit costs, including fuel, decreased by 3 per cent whereas unit revenue increased by 2 per cent. Moreover, ancillary revenues per passenger grew by 2 per cent and Norwegian transported 13.55 million passengers during the first half, a gain of 14 per cent.

According to Norwegian´s CEO Bjorn Kjos, bookings and pre-sales are satisfying for the coming months and the carrier is proud of the latest two Skytrax awards as "Best Low-Cost Airline in Europe" and "World´s Best "Long Haul" Low-Cost Airline" which emphasises that customers appreciate Norwegian´s product. Furthermore, during the European winter and low season, the carrier will offer flights from the USA to Guadeloupe and Martinique (French territory). This July, Norwegian has converted 30 of its total order of 100 Airbus A320neo to A321neo LR. Although this aircraft will allow the carrier to serve some of its shorter long-haul destinations, the Dreamliner will remain the backbone of Norwegian´s long haul strategy as it offers more seat capacity, a longer range and a more favourable passenger experience. Norwegian placed orders to operate a fleet of 42 B787s by 2020.

According to Norwegian, the airline does not see any specific impact from the "Brexit". The airline operates with different AOCs and is not only bound to its UK AOC. However, as mentioned before, as long as the political framework is not clear in relation to the UK leaving the European Union, any general effects on the aviation market remain uncertain. Besides, this July, Norwegian announced that it won its first US charter deal arrangements and signed contracts with Apple Vacations and Funjet Vacation. This positively contributes to a further diversification of passenger demand in relation to target groups and geographic regions.

Thai Airways International
Thai Airways International Public Company Limited, flag carrier of the Kingdom of Thailand, has its headquarters in Bangkok and is a full-service network carrier. It is majority-owned by the Thai Government (51.03 per cent) and flies from Bangkok to around 60 destinations in 30 countries. The carrier has a small route exposure to the UK, as it only serves London Heathrow. In 2015, around 21.25 million passengers flew with Thai Airways. As at March 2016, Thai's fleet consisted of 95 aircraft. The airline operates six B787-8s and has two more B787-9s on order as part of its fleet renewal plan.

First quarter results for 2016 suggest that the two year restructuring programme (Transformation Plan) is making progress. Although total revenues decreased by 2.7 per cent from the previous year to THB 50.18 billion (US$ 1.43 billion), total expenses declined by 8.8 per cent to THB 43.00 billion (US$ 1.22 billion) over the same period. Fuel expenses decreased by 25.1 per cent, while non-fuel expenses declined by 1.7 per cent. Passenger numbers increased at the same time by 5.3 per cent. Operating profit increased by 62.6 per cent to THB 7.18 billion (US$ 204 million) and net profit grew by 32.1 per cent to THB 6.01 billion (US$ 171 million). During the first quarter of 2016, capacity was reduced by 1.8 per cent while air traffic increased by 0.9 per cent. The passenger load factor thus improved by 2 percentage points compared to the same quarter in the previous year. Cash and cash equivalents as at 31 March 2016 were THB 22.92 billion (US$ 651 million).

The Transformation Plan comprises six key strategies to turn the carrier into profitability. It follows three steps: stopping losses, rebuilding Thai´s strength and growing sustainably. The last quarterly and annual results underline a positive trend and Thai was able to move on to the second stage of its three-phase Transformation Plan. The airline is therefore now concentrating on building on its strengths to ensure long-term competitiveness, especially in a market environment with increasing numbers of low-cost carriers. This second phase emphasises four main strategies: boosting revenues through all possible channels; managing costs and uplift efficiency; further enhancing the passenger experience; and improving capabilities such as network and fleet utilisation optimisation. Therefore, Thai intends to complete the transition of the A320 narrow-body operations to its subsidiary Thai Smile whose cost structure is lower and allows for a more favourable position in a highly competitive domestic and regional market. Thai´s CEO Jotikasthira sees the latest aircraft models Boeing 787 and Airbus A350 as good replacement aircraft allowing for further retirements of older aircraft types. Furthermore, he also intends to strengthen the cooperation between the group airlines, including Thai Smile and Nok. Moreover, Thai Airways was rewarded as "World´s Most Improved Airline" at the Skytrax Awards 2016. The reward acknowledges the best average improvement over the last 12 months in all award categories, amongst others cabin staff, catering and airport services. This shows that Thai´s efforts to improve customer service excellence and consistency, which is part of the Transformation Plan´s commercial strategy, are well perceived by the passengers.

According to IATA, Thailand´s aviation sector including aviation related activities generates US$ 29 billion in GDP and counts for about two million jobs within the country. This positive contribution is expected to almost double by 2035. The Thai government is aware of the importance of aviation and tourism for the country and working to solve the issues raised by the International Civil Aviation Organisation (ICAO). It had put in place several measurements such as professionally specified training for aviation safety inspectors. The government cooperates with the European Aviation Safety Agency (EASA) and Japan International Cooperation Agency (JICA) and is additionally supported by eight experts sent by ICAO to assist. The next ICAO audit will take place from December 2016 to March 2017. However, this rating does not include airlines itself. Thai Airways was the first carrier outside the EU to pass the TCO (Third Country Operator) Audit by the EASA which will become a requirement for all non EU-based carriers as of November 2016 if they wish to undertake operations to, from or within Europe. This supports the high safety standards which Thai Airways has in place and which are a core element of the carrier´s corporate philosophy.

Thai Airways announced that it will roll-over a US$ 150 million governmental loan for a period less than 12 months. This loan was originally drawn down from Thailand´s finance ministry in the middle of last year. For the second quarter of 2016, the carrier expects a positive impact from the public holidays, particularly on services to and from Japan. Moreover, the airline is planning a second early retirement programme and continues to pursue its objective of returning to profitability in 2016. Thai Airways will resume flights to Moscow and launch services to Teheran in November this year. Besides this, Thai Smile will be deployed to serve more secondary cities in China as the airline sees opportunities to profit from the massive tourist numbers of mainland tourists. According to the CEO of Thai, Charamporn Jotikasthira, capacity cuts and fleet retirements in 2015 – both key elements of the restructuring programme - are paying off. He sees the airline in the position to grow in a reasonable and sustainable way with a focus on international long-haul and regional Chinese destinations.

DS Aviation GmbH & Co. KG
Member of Dr. Peters Group
Stockholmer Allee 53
44269 Dortmund, Germany

DIRECTORS

Jonathan (Jon) Bridel, *Non- Executive Chairman (51)*
Jon is a Guernsey resident and is currently a non-Executive Director of The Renewables Infrastructure Group Limited (FTSE 250), Alcentra European Floating Rate Income Fund Limited, Starwood European Real Estate Finance Limited, Sequoia Economic Infrastructure Income Fund Limited and Funding Circle SME Income Fund Limited which are listed on the Main Market of the London Stock Exchange. Other companies include Fair Oaks Income Fund Limited. Jon was previously Managing Director of Royal Bank of Canada's investment businesses in the Channel Islands and served as a Director on other RBC companies including RBC Regent Fund Managers Limited. Prior to joining RBC, Jon served in a number of senior management positions in banking, specialising in credit and corporate finance and private businesses as Chief Financial Officer in London, Australia and Guernsey having previously worked at Price Waterhouse Corporate Finance in London.

Jon graduated from the University of Durham with a degree of Master of Business Administration, holds qualifications from the Institute of Chartered Accountants in England and Wales (1987) where he is a Fellow, the Chartered Institute of Marketing and the Australian Institute of Company Directors. Jon is a Chartered Marketer and a member of the Chartered Institute of Marketing and the Institute of Directors and a Chartered Fellow of the Chartered Institute for Securities and Investment.

Jeremy Thompson, *Non- Executive Director (61)*
Jeremy Thompson is a Guernsey resident with sector experience in Finance, Telecoms, Aerospace and Oil & Gas. He acts as a consultant to a number of businesses which include independent non-executive directorships for three PE funds and to an Investment Manager serving the listed NextEnergy Solar Fund Limited. In addition Jeremy is also a non-executive director of Riverstone Energy Limited (FTSE 250). Between 2005 and 2009 he was a director of multiple businesses within a London based private equity group. This entailed board positions on both private, listed and SPV companies and highly successful exits. Prior to that he was CEO of four autonomous global businesses within Cable & Wireless PLC and earlier held CEO roles within the Dowty Group. Jeremy has studied and worked in the UK, USA and Germany.

Jeremy currently serves as chairman of the States of Guernsey Renewable Energy Team and is a commissioner of the Alderney Gambling Control Commission. He is also an independent member of the Guernsey Tax Tribunal panel. Jeremy is a graduate of Brunel (B.Sc) and Cranfield (MBA) Universities and was an invited member to the UK's senior defence course (Royal College of Defence Studies). He holds the Institute of Directors (IoD) Certificate and Diploma in Company Direction and is an associate of the Chartered Institute of Arbitration. He is currently completing an M.Sc in Corporate Governance.

Didier Benaroya, *Non-Executive Director (65)*
Having previously worked as the founder and senior partner of the Transportation Group and the managing director of Paine Webber, Didier had extensive experience in the transportation industry. He was resident in the UK and was the founder and a director of Numera Limited and Numera Services Limited, which has advised investors, lessors, banks, operating lease companies and airlines on aircraft and airline related transactions (including leasing, financing and restructuring) since 1995. Didier held a B.S.C in Economics, an M.S.C in Mathematics and Applied Computer Science from the University of Paris, and an MBA from Northwestern University's Kellog School of Management. Didier sadly passed away on 21 January 2016.

Angela Behrend-Görnemann, *Non-Executive Director (59)*
Angela started her career with Hapag-Lloyd AG and was from 1984 until 2015 employed with HSH Nordbank AG, Hamburg, Germany as the Global Head of Aviation Finance and Global Head of Transportation Finance. In this function she was responsible for Aviation, Rail and Infrastructure Finance with more than 100 employees in teams in New York, London, Hamburg, Kiel, Singapore and Shanghai. She initiated the foundation of the Dublin based Aviation Asset Manager Amentun Capital. Between 2007 and 2011 she was Class B Manager and member of the Investment Committee of HSH Global Aircraft I S.a.r.l, Luxembourg, a closed ended Aircraft Fund. She has extensive experience in the transportation and banking industries with more than 20 years experience in

aviation. Angela is resident in Germany. Angela was appointed as a non-executive director of the Company with effect from 1 May 2016.

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES

Asset risk
The Company's Assets comprise of four Boeing 787-8 aircraft.

The Boeing 787-8 is a newly developed generation of aircraft and therefore there is insufficient experience and data currently available to be able to give a complete assessment of the long-term use and operation of the aircraft. The Group is exposed to the used aircraft market of the 787-8, which at this time is untested.

Market risk
The airline industry is particularly sensitive to changes in economic conditions and is highly competitive; risks affecting the airline industry generally could affect the ability of Norwegian Air Shuttle ASA ('Norwegian') or Thai Airways International Public Company Limited ('Thai Airways') to comply with its obligations under the Leases (or any subsequent lease).

There is no guarantee that, upon expiry of the leases, the Assets could be repossessed in a timely manner and sold for an amount that would enable shareholders to realise a capital profit on their investment or to avoid a loss. Costs regarding any future re-leasing of the assets would depend upon various economic factors and would be determinable only upon an individual re-leasing event.

Key personnel risk
The ability of the Company to achieve its investment objective is significantly dependent upon the advice of certain key personnel at DS Aviation GmbH & Co. KG; there is no guarantee that such personnel will be available to provide services to the Company for the scheduled term of the Lease or following the termination of the Lease. However, Key Man clauses within the Asset Management agreement do provide a base line level of protection against this risk.

Credit risk & Counterparty risk
Credit risk is the risk that a significant counterparty will default on its contractual obligations. The Group's most significant counterparties are Norwegian and Thai Airways as lessees and providers of income and NordLB and DekaBank as provider of the loans and borrowings, cash and restricted cash (all held at NordLB and DekaBank). The lessees do not maintain a credit rating. The credit rating of NordLB is Aa3 (2015: Aa3) and the credit rating of DekaBank is Aa3 (2015: Aa3).

Norwegian's stated strategy of providing low-cost long haul flights is untested and may not be successful; failure of this strategy, or of any other material part of Norwegian's business, may adversely affect Norwegian's ability to comply with its obligations under the leases.

There is no guarantee that the business model of Thai Airways will be successful. Failure of any material part of the business model or change in the political landscape may have an adverse impact on its ability to comply with its obligations under the leases.

Any failure by Norwegian or Thai Airways to pay any amounts when due would have an adverse effect on the Group's ability to comply with its obligations under the loan agreements, could ultimately have an impact on the Company's ability to pay dividends and could result in the lenders enforcing their security and selling the relevant Assets on the market potentially negatively impacting the returns to investors. In mitigation, Norwegian is the second largest airline in Scandinavia and the third largest low-cost airline in Europe and Thai Airways is an International full service carrier.

Liquidity risk
In order to finance the purchase of the Assets, the Group has entered into four separate loan agreements pursuant to which the Group has borrowed an initial amount of US$ 316,600,000 in total. Pursuant to the loan agreements, the lenders are given first ranking security over the Assets. Under the provisions of each of the loan agreements, the Borrowers are required to comply with loan covenants and undertakings. A failure to comply with such covenants or undertakings may result in the relevant lenders recalling the relevant loan. In such circumstances, the Group may be required to sell the relevant Asset to repay the outstanding relevant loan.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- the unaudited Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;
- the unaudited Interim Report (comprising the Chairman's Statement, the Asset Manager's Report and the Statement of Principal Risks and Uncertainties) meets the requirements of an interim management report, and includes a fair review of the information required by:
  (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the interim accounting period from 1 January 2016 to 30 June 2016 and their impact on the condensed consolidated set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the full financial period; and
  (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place during the interim accounting period from 1 January 2016 to 30 June 2016 and that have materially affected the financial position or performance of the entity during that period; any changes in the related parties transactions described in the last annual report that could have a material effect on the financial position or performance of the enterprise in the first six months of the current financial year.

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 interest on the Group's loans have been fixed with the bank or via an interest rate swap and the lease rental income and supplemental rental income have been set at an aggregate absolute income stream in excess of the Group's expenses, distributions and finance costs.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six month period ended 30 June 2016

	Note	Six months to 30 June 2016 (unaudited) US$	Six months to 30 June 2015 (unaudited) US$
Revenue			
Lease rental income	4	28,605,561	15,783,513
Expenses			
Asset management fees	17	(464,311)	(270,690)
Share based disposal fee	17	(125,050)	(114,000)
General and administrative expenses	5	(418,829)	(359,466)
Depreciation	9	(9,739,931)	(5,281,045)
Amortisation	9	(965,526)	(651,111)
		(11,713,647)	(6,676,312)
Operating profit		16,891,914	9,107,201
Finance costs	6	(6,684,885)	(3,882,019)
Finance income		32,609	822
Net Finance Costs		(6,652,276)	(3,881,197)
Profit before tax		10,239,638	5,226,004
Taxation	7	(53,717)	-
Profit for the period		10,185,921	5,226,004

Other Comprehensive Income			
Items that are or may be reclassified to profit or loss			
Cash flow hedges – changes in fair value	15	(5,777,590)	(1,201,832)
Cash flow hedges – reclassified to profit or loss	15	1,385,536	1,670,395
Total Other Comprehensive (Loss) / Income		(4,392,054)	468,563
Total Comprehensive Income for the period		5,793,867	5,694,567
		US$	US$
Earnings per Share for the period/year - basic and diluted	8	0.0487	0.0426

All the items in the above statement derive from continuing operations.

The notes form an integral part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2016

	Note	**30 June 2016 (unaudited) US$**	**31 December 2015 (audited) US$**
NON-CURRENT ASSETS			
Property, Plant and Equipment – Aircraft	9	439,546,069	449,286,000
Intangible Asset – Aircraft Lease Premium	9	42,862,033	43,827,559
Total non-current assets		482,408,102	493,113,559
CURRENT ASSETS			
Cash and cash equivalents		8,326,666	7,777,349
Restricted cash	10	30,619,208	24,941,300
Trade and other receivables		16,121	33,000
Total current assets		38,961,995	32,751,649
TOTAL ASSETS		521,370,097	525,865,208
EQUITY			
Share Capital	13	210,556,652	210,556,652
Retained Earnings		1,285,219	519,298
Hedging Reserve		(9,814,536)	(5,422,482)
Total equity		202,027,335	205,653,468
NON-CURRENT LIABILITIES			
Bank borrowings	12	252,310,703	263,559,583
Maintenance reserves		17,318,030	11,672,259
Security deposits		13,264,420	13,264,420
Derivative instrument liabilities	15	9,814,536	5,422,482
Share based disposal fee	17	474,288	349,238
Total non-current liabilities		293,181,977	294,267,982
CURRENT LIABILITIES			
Bank borrowings	12	23,253,764	*23,045,664
Rent received in advance	4	2,638,562	2,598,554
Trade and other payables	11	268,459	*299,540
Total current liabilities		26,160,785	25,943,758
TOTAL LIABILTIIES		319,342,762	320,211,740
TOTAL EQUITY AND LIABILITIES		521,370,097	525,865,208

*US$ 525,533 previously included in trade and other payables has been reclassified to bank borrowings

The financial statements were approved by the Board of Directors and were authorised for issue on 22 August

2016. They were signed on its behalf by:

Jon Bridel
Chairman

Jeremy Thompson
Director

The notes form an integral part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six month period ended 30 June 2016

	Six months to 30 June 2016 (unaudited) US$	Six months to 30 June 2015 (unaudited) US$
Profit for the period	10,185,921	5,226,004
Adjusted for:		
Depreciation	9,739,931	5,281,045
Amortisation	965,526	651,111
Amortisation of deferred finance costs	146,003	80,893
Finance costs	6,538,882	3,801,126
Income tax expense	53,717	-
Changes in:		
Increase in maintenance reserve	5,645,771	5,356,701
Increase in security deposit	-	6,864,420
Increase in rent received in advance	40,008	1,496,692
Increase in accruals and other payables	40,252	674,608
Decrease in receivables	16,879	28,732
Income taxes paid	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	**33,372,890**	**29,461,332**
INVESTING ACTIVITIES		
Purchase of Aircraft	-	(255,956,566)
Restricted cash	(5,677,908)	(12,221,296)
NET CASH FLOW USED IN INVESTING ACTIVITIES	**(5,677,908)**	**(268,177,862)**
FINANCING ACTIVITIES		
Dividends paid	(9,420,000)	(5,085,000)
Share issue proceeds	-	102,007,365
Share issue costs	-	(2,233,800)
New bank borrowings	-	157,000,000
Bank loan principal repaid	(11,130,721)	(4,993,655)
Bank loan interest paid	(5,185,861)	(2,172,778)
Swap interest paid	(1,409,083)	(1,670,397)
Deferred finance costs paid	-	(1,603,156)
NET CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES	**(27,145,665)**	**241,248,579**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**7,777,349**	**5,046,920**
Increase in cash and cash equivalents	549,317	2,532,049
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**8,326,666**	**7,578,969**

The notes form an integral part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six month period ended 30 June 2016

	Share capital	Retained Earnings	Hedging Reserve	Total Equity

	Note	US$	US$	US$	US$
As at 1 January 2016		210,556,652	519,298	(5,422,482)	205,653,468
Total comprehensive income for the year					
Profit for the period		-	10,185,921	-	10,185,921
Other comprehensive loss		-	-	(4,392,054)	(4,392,054)
Total comprehensive income / (loss)		-	10,185,921	(4,392,054)	5,793,867
Transactions with owners of the Company					
Dividends	14	-	(9,420,000)	-	(9,420,000)
As at 30 June 2016 (unaudited)		210,556,652	1,285,219	(9,814,536)	202,027,335
As at 1 January 2015		110,885,220	25,726	(5,171,613)	105,739,333
Total comprehensive income for the year					
Profit for the period		-	5,226,004	-	5,226,004
Other comprehensive income		-	-	468,563	468,563
Total comprehensive income		-	5,226,004	468,563	5,694,567
Transactions with owners of the Company					
Issue of ordinary shares		102,007,365	-	-	102,007,365
Share issue costs		(2,233,800)	-	-	(2,233,800)
Dividends	14	-	(5,085,000)	-	(5,085,000)
As at 30 June 2015 (unaudited)		210,658,785	166,730	(4,703,050)	206,122,465

The notes form an integral part of these financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended 30 June 2016

1) GENERAL INFORMATION

The consolidated audited financial statements ('financial statements') incorporate the results of the Company and that of wholly owned subsidiary entities, DP Aircraft Guernsey I Limited, DP Aircraft Guernsey II Limited, DP Aircraft Guernsey III Limited, DP Aircraft Guernsey IV Limited (collectively and hereinafter, the 'Borrowers'), each being a Guernsey Incorporated company limited by shares and two intermediate lessor companies, DP Aircraft Ireland Limited and DP Aircraft UK Limited (the 'Lessors'), an Irish incorporated private limited company and a UK incorporated private limited company respectively. The Company and its subsidiaries (the Borrowers and the Lessors) comprise the 'Group'.

DP Aircraft I Limited (the 'Company') was incorporated on 5 July 2013 with registered number 56941. The Company was listed on the Channel Islands Securities Exchange until 27 May 2015 and is admitted to trading on the Specialist Fund Segment of the London Stock Exchange.

The Share Capital of the Company comprises 209,333,333 Ordinary Shares of no par value and one Subordinated Administrative Share of no par value.

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

2) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The unaudited interim condensed consolidated financial statements ("financial statements") for the period 1 January 2016 to 30 June 2016 have been prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting' as adopted by the European Union and the Disclosure and

Transparency Rules ('DTR's') of the UK's Financial Conduct Authority ('FCA').

The financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual report and consolidated financial statements for the year ended 31 December 2015. The Group's annual financial statements for the year ended 31 December 2015 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and are available on the Company's website or from the Company Secretary.

The financial statements have been prepared on the basis of the accounting policies set out in the Group's annual consolidated financial statements for the year ended 31 December 2015 and those that will be applied in the Group's annual consolidated financial statements for the year ending 31 December 2016.

The Directors considered all new relevant new standards, amendments and interpretations to existing standards effective for the financial statements for the six month period ended 30 June 2016 and determined that they will have no material impact on the annual consolidated financial statements of the Group and have had no impact on the interim consolidated financial statements of the Group.

3) SIGNIFICANT JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies which are described in note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from their 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 the financial statements.

a) Depreciation and impairment of aircraft

In accordance with the Group's accounting policy, the Assets will be depreciated on a straight line basis over the remaining lease life and taking into consideration the estimated residual value. In making a judgement regarding these estimates the Directors will consider previous sales of similar aircraft and other available aviation information. The Group have engaged three Independent Expert Valuers each year, to provide a valuation of the Assets at each year end and take into account the average of the three valuations provided. In performing their valuations, the Independent Expert Valuers will have regard to factors such as the condition of the Assets, the prevailing market conditions (which may impact on the resale value of the Assets), the leases (including the scheduled rental payments and remaining scheduled term of the leases) and the creditworthiness of the lessees. Accordingly, any early termination of the leases may have an impact on the valuation of the Assets. The Assets residual value is based on appraised residual values. At the period end the Directors reviewed the carrying value of the Assets and concluded that there was no indication of impairment in the Group's Assets.

b) Derivative fair value

The Directors estimate the fair value of derivative contracts based on valuation techniques. These techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows.

4) LEASE RENTAL INCOME

	Six months to 30 June 2016 (unaudited)	Six months to 30 June 2015 (unaudited)

	US$	US$
Deferred income brought forward	2,598,554	1,122,754
Lease rental income received	28,645,569	17,280,215
Deferred income carried forward	(2,638,562)	(2,619,456)
Total lease rental income	**28,605,561**	**15,783,513**

5) GENERAL AND ADMINISTRATIVE EXPENSES

	Six months to 30 June 2016 (unaudited) US$	Six months to 30 June 2015 (unaudited) US$
Legal and professional fees	141,966	77,405
Directors fees and expenses	86,498	89,600
Administration fees	93,437	64,009
Insurance	31,416	95,411
Audit fees	36,949	28,411
Other fees and expenses	28,563	4,630
Total general and administrative expenses	**418,829**	**359,466**

6) FINANCE COSTS

	Six months to 30 June 2016 (unaudited) US$	Six months to 30 June 2015 (unaudited) US$
Loan interest paid and payable	5,153,346	2,130,729
Amortisation of deferred finance costs	146,003	80,895
Total finance costs at effective interest rate	5,299,349	2,211,624
Cash flow hedges reclassified from other comprehensive income	1,385,536	1,670,395
Total finance costs	**6,684,885**	**3,882,019**

7) TAXATION

With the exception of DP Aircraft Ireland Limited and DP Aircraft UK Limited, all companies within the Group are exempt from taxation in Guernsey and are charged an annual exemption fee of £1,200 each (2015: £600).

DP Aircraft Ireland Limited and DP Aircraft UK Limited are subject to taxation at the applicable rate in Ireland and the United Kingdom respectively. The amount of taxation paid during the period ended 30 June 2016 was US$ 53,717 (period 1 January 2015 to 30 June 2015: nil). The Directors do not expect the taxation payable to be material to the Group.

A taxation reconciliation has not been presented in these financial statements as the effective tax rate is 0.5%.

8) EARNINGS PER SHARE

	Six months to 30 June 2016 (unaudited) US$	Six months to 30 June 2015 (unaudited) US$
Profit for the period	10,185,921	5,226,004
Weighted average number of shares	209,333,333	122,580,110
Earnings per share	**0.0487**	**0.0426**

There are no instruments in issue that could potentially dilute earnings per Ordinary Share in future periods.

9) PROPERTY, PLANT, EQUIPMENT & INTANGIBLE ASSETS

AIRCRAFT

	Total US$
COST	
As at 31 December 2015 and 30 June 2016	**476,751,161**
ACCUMULATED DEPRECIATION	
As at 31 December 2015	27,465,161
Charge for the period	9,739,931
As at 30 June 2016	**37,205,092**
CARRYING AMOUNT	
As at 31 December 2015	**449,286,000**
As at 30 June 2016	**439,546,069**

INTANGIBLE ASSETS - LEASE PREMIUM

	Total US$
COST	
As at 31 December 2015 and 30 June 2016	**46,979,793**
ACCUMULATED AMORTISATION	
As at 31 December 2015	3,152,234
Charge for the period	965,526
As at 30 June 2016	**4,117,760**
CARRYING AMOUNT	
As at 31 December 2015	**43,827,559**
As at 30 June 2016	**42,862,033**

The Boeing 787-8 is a newly developed generation of aircraft and the Company is exposed to the used aircraft market of the 787-8, which is untested. Due to the new type of design, in particular in respect of innovative materials and technology, there is currently insufficient experience and data available to be able to give a complete assessment of the long-term use and operation of the aircraft. There is a risk that the newly developed materials may be found to be less efficient or durable than expected and thereby may lead to higher maintenance and repair costs. Under the terms of the Leases, the cost of repair and maintenance of the Assets will be borne by Norwegian Air Shuttle ASA ('Norwegian) and Thai Airways International Public Company Limited ('Thai Airways'). However, upon expiry or termination of the leases, the cost of repair and maintenance will fall upon the Group. Therefore upon expiry of the leases, the Group may bear higher costs and the terms of any subsequent leasing arrangement (including terms for repair, maintenance and insurance costs relative to those agreed under the leases) may be adversely affected, which could reduce the overall distributions paid to the Shareholders.

The estimated residual value of the Boeing 787-8 Assets as at the end of their respective leases in 2025 and 2026 have been re-evaluated by independent experts on 31 December 2015 and will be re-evaluated for each annual financial accounting year end. The residual value will depend upon a variety of factors including actual or anticipated fluctuations in the results of the airline industry, market perception of the airline industry, general economic and social and political development, changes in industry conditions, fuel prices or rates of inflation. For the interim report, the directors determined a residual valuation at the end of the lease life based on 50 per cent of the purchase cost, supported by external valuations at 31 December 2015.

The future cash in-flows for the Assets (excluding the assets residual value in the event of a sale) have been fixed at a set rate as agreed between the Group, loan providers and the lessees.

The loans entered into by the Group to complete the purchase of the first two aircraft are cross collateralised. Each of the loans are secured by way of security taken over each of the first aircraft and the second aircraft.

The loans entered into by the Group to complete the purchase of the second two aircraft are cross collateralised. Each of the loans are secured by way of security taken over each of the third aircraft and the fourth aircraft.

10) RESTRICTED CASH

	30 June 2016 (unaudited) US$	31 December 2015 (audited) US$
Security Deposits	13,277,993	13,266,651
Maintenance reserves	17,341,215	11,674,649
Total restricted cash	**30,619,208**	**24,941,300**

11) TRADE AND OTHER PAYABLES

	30 June 2016 (unaudited) US$	31 December 2015 (audited) US$
Accruals and other payables	184,999	269,797
Taxation payable	83,460	29,743
Total trade and other payables	**268,459**	**299,540**

12) BANK BORROWINGS

	30 June 2016 (unaudited) US$	31 December 2015 (audited) US$
Current liabilities: bank interest payable	469,469	525,533
Current liabilities: bank borrowing	22,784,295	22,520,131
Non-current liabilities: bank borrowing	252,310,703	263,559,583
Total liabilities	**275,564,467**	**286,605,247**
The borrowings are repayable follows:		
Interest payable	469,469	525,533
Within one year	22,784,295	22,520,131
In two to five years	102,469,238	101,291,401
After five years	149,841,465	162,268,182
Total bank borrowings	**275,564,467**	**286,605,247**

The table below analyses the movements in the Group's bank borrowings (excluding interest payable):

	30 June 2016 (unaudited) US$	31 December 2015 (audited) US$
Opening balance	286,079,714	146,162,729
Loans advanced	-	157,000,000
Deferred finance costs	-	(1,603,158)
Repayment of loan	(11,130,721)	(15,708,387)

Amortisation of deferred finance costs	146,003	228,530
Total bank borrowings	**275,094,996**	**286,079,714**

Loans
During the year ended 31 December 2015 the Company utilised the proceeds from the placing and the proceeds of two separate loans from DekaBank Deutsche Girozentrale ('DekaBank') of US$ 78,500,000 each to fund the purchase of two Boeing 787-8 aircraft. The balance on the loans at 30 June 2016 was US$ 145,660,770 (31 December 2015: US$ 151,977,785).

During the period ended 31 December 2014 the Company utilised the proceeds from the initial public offering and the proceeds of two separate loans from Norddeutsche Landesbank Girozentrale ('NordLB') of US$ 79,800,000 each to fund the purchase of two Boeing 787-8 aircraft. The balance on the loans at 30 June 2016 was US$ 131,581,932 (31 December 2015: US$ 137,124,345).

All of the loans will be fully amortised with monthly repayments in arrears over the term until the scheduled expiry of each respective lease. There have been no defaults or breaches under the loan agreements (2015: none).

Structure and term
The committed term of each loan is from the drawdown date until the date falling twelve years from the Delivery Date of the relevant Asset. Each Loan will be amortised with repayments every month in arrears over the term in amounts as set out in a schedule agreed by the Company and the Lenders. Amortisation will be on an annuity-style (i.e. mortgage-style) basis.

Interest
Interest on each DekaBank loan is payable in arrears on the last day of each interest period, which is one month long. Interest on the loan accrues at a fixed rate of 4.10 per cent including a margin of 1.95 per cent per annum. If any amount is not paid by the Borrower when due under the loan agreements, interest will accrue on such amount at the then current rate applicable to the loan plus 2.0 per cent per annum.

Interest on each NordLB loan is payable in arrears on the last day of each interest period, which is one month long (the 'Interest Period'). Interest on each Loan accrues at a floating rate of interest which is calculated using LIBOR for the length of the Interest Period and a margin of 2.6 per cent per annum (the 'Loan Margin') ('Loan Floating Rate'). For the purposes of calculating the Loan Floating Rate, if on the date when LIBOR is set prior to the beginning of an Interest Period it is not possible for LIBOR to be determined by reference to a screen rate at the time that LIBOR is to be set for that Interest Period (a 'Market Disruption Event'), the amount of interest payable to each affected Loan Lender during the Interest Period will be the aggregate of each Lender's cost of funds during that monthly period and the Loan Margin. If any amount is not paid by the Borrower when due under the Loan Transaction Documents, interest will accrue on such amount at the then current rate applicable to the Loan plus 2.0 per cent per annum. The Group has entered into ISDA-standard hedging arrangement with NordLB as hedging provider in connection with the Loans, in order to provide for a fixed interest rate of 5.06% and 5.08% to be payable in respect of the loans throughout the whole term.

Cross Collateralisation
The DekaBank loans entered into by the Group to complete the purchase of the third and fourth Assets are cross collateralised. Each of the third and fourth loan is secured by way of security taken over the third and fourth Assets and enforce security over both Assets. This means that a default on one loan places both of the Assets at risk.

Similarly the NordLB loans entered into by the Group to complete the purchase of the first two Assets are cross collateralised. Each of the first and second loan is secured by way of security taken over the first and second Assets and enforce security over both Assets. This means that a default on one loan places both of the Assets at risk.

Following the enforcement of security and sale of the aircraft, the remaining proceeds, if any, may be substantially lower than investors' initial investment in the Company.

13) SHARE CAPITAL

Period ended 30 June 2016 (unaudited)

Issued and fully paid:	**Subordinated Administrative Share** Number	**Ordinary Shares** Number	**Total** Number
Shares as at 1 January 2016 and 30 June 2016	**1**	**209,333,333**	**209,333,334**
Share capital:	US$	US$	US$
Share capital as at 1 January 2016 and 30 June 2015	**1**	**210,556,651**	**210,556,652**

Year ended 31 December 2015 (audited)

Issued and fully paid:	**Subordinated Administrative Share** Number	**Ordinary Shares** Number	**Total** Number
Shares as at 1 January 2015	1	113,000,000	113,000,001
Shares issued during the year	-	96,333,333	96,333,333
Shares as at 31 December 2015	**1**	**209,333,333**	**209,333,334**
	US$	**US$**	**US$**
Share capital as at 1 January 2015	1	110,885,219	110,885,220
Movement for the year:			
Proceeds from the issue of shares	-	102,007,365	102,007,365
Issue costs paid	-	(2,335,933)	(2,335,933)
Share capital as at 31 December 2015	**1**	**210,556,651**	**210,556,652**

Subject to the applicable company law and the Company's Articles of Incorporation, the Company may issue an unlimited number of shares of par value and/or no par value or a combination of both.

On 12 June 2015 a total of 96,333,333 shares were issued under the placing at an issue price of US$ 1.0589 per share raising gross proceeds of US$ 102 million. Total issue costs were US$ 2.3 million which included the 1.5% placing commission paid to Canaccord Genuity as placing agent.

On 10 June 2013 a total of 113,000,000 shares were issued under the initial public offering placing at an issue price of US$ 1 per share raising gross proceeds of US$ 113 million. Total issue costs were US$ 2.1 million which included the 1% placing commission paid to Canaccord Genuity as placing agent.

The Subordinated Administrative Share is held by DS Aviation GmbH & Co. KG, (the Asset Manager).

Holders of Subordinated Administrative Shares are not entitled to participate in any dividends and other distributions of the Company. On a winding up of the Company the holders of the Subordinated Administrative Shares are entitled to an amount out of the surplus assets available for distribution equal to the amount paid up, or credited as paid up, on such shares after payment of an amount equal to the amount paid up, or credited as paid up, on the Ordinary Shares to the Shareholders. Holders of Subordinated Administrative Shares shall not have the right to receive notice of and have no right to attend, speak and vote at general meetings of the Company except if there are no Ordinary Shares in existence.

The Directors are entitled to issue and allot C Shares. No C Shares have been issued since the Company was incorporated.

14) DIVIDENDS

During the period ended 30 June 2016 the Company declared and paid the following dividends:

Dividend reference period	Shares	Dividend per share US$	Paid US$	Payment date
Quarter ended 31 December 2015	209,333,333	0.0225	4,710,000	12 February 2016
Quarter ended 31 March 2016	209,333,333	0.0225	4,710,000	20 May 2016
			9,420,000	

A quarterly dividend of US$ 4,710,000 (US$ 0.0225 per share) for the quarter ended 30 June 2016 was paid on 15 August 2016. In accordance with IAS 10, this dividend has not been recognised in these financial statements.

During the period ended 30 June 2015 the Company declared and paid the following dividends:

Dividend reference period	Shares	Dividend per share US$	Paid US$	Payment date
Quarter ended 31 December 2014	113,000,000	0.0225	2,542,500	13 February 2015
Quarter ended 31 March 2015	113,000,000	0.0225	2,542,500	18 May 2015
			5,085,000	

15) FAIR VALUE MEASUREMENT

Financial assets and financial liabilities at amortised cost
The fair value of cash and cash equivalents, trade and other receivables, restricted cash and interest payable approximate their carrying amounts due to the short term maturities of these instruments.

The fair value of floating rate borrowings is estimated by discounting future cash flows using rates currently available for debt of similar returns and remaining maturities and therefore the carrying value approximates fair value.

The fair value of fixed rate borrowings is estimated by discounting future principal and interest cash flows, discounted at the market rate of interest at the reporting date. The fair value approximates the carrying value gross of unamortised transaction costs.

Financial liabilities designed as hedging instruments
The fair value of the Group's derivative interest rate swaps are determined by reference to the mid-point on the yield curves prevailing on the reporting date and represent the net present value of the differences between the contracted and the valuation rate when applied to the projected balances to the period from the reporting date to the contracted expiry date.

The interest rate swaps are valued on a recurring basis and have been categorised within level 2 of the fair value hierarchy required by IFRS 13.

The following table details the contractual undiscounted cash flows of the interest rate swaps:

As at 30 June 2016	**Next 12 months US$**	**2 to 5 years US$**	**After 5 years US$**	**Total US$**
Floating rate receivable	3,571,635	10,774,007	4,201,173	18,546,815
Fixed rate payable	(6,496,710)	(19,597,792)	(7,642,292)	(33,736,794)
Interest rate swaps	(2,925,075)	(8,823,785)	(3,441,119)	(15,189,979)

As at 31 December 2015	**Next 12 months US$**	**2 to 5 years US$**	**After 5 years US$**	**Total US$**
Floating rate receivable	3,741,846	11,503,694	5,211,888	20,457,428
Fixed rate payable	(6,806,312)	(20,925,041)	(9,480,788)	(37,212,141)
Interest rate swaps	(3,064,466)	(9,421,347)	(4,268,900)	(16,754,713)

As at 30 June 2016, the aggregate loss on the fair value of the interest rate swaps was US$ 9,814,536 (31 December 2015: US$ 5,422,482).

Transfers between levels

The Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation based on the lowest level input that is significant to the fair value measurement as a whole at the end of each reporting period.

There were no transfers between level 1 and level 2 fair value measurements and no transfers into or out of level 3 fair value measurements during the six month period ended 30 June 2016 or in the year ended 31 December 2015.

16) RELATED PARTY TRANSACTIONS

The Directors were remunerated for their services at a fee of £22,500 per annum for Jeremy Thompson (as Chairman of the Audit Committee) and £27,500 for Jon Bridel (as Chairman) and Didier Benaroya received £20,000 per annum.

The Directors received fees of £5,000 each per annum for acting as Director of each of the Company's Guernsey subsidiaries (DP Aircraft Guernsey I Limited, DP Aircraft Guernsey II Limited, DP Aircraft Guernsey III Limited and DP Aircraft Guernsey IV Limited) (total of £20,000 each per annum).

The two Directors of DP Aircraft Ireland Limited who are based in Ireland receive fees of €6,000 per annum in aggregate and Didier Benaroya received fees of £10,000 per annum. The two Directors of DP Aircraft UK Limited who are based in the United Kingdom receive fees of £5,000 per annum in aggregate and Didier Benaroya received fees of £10,000 per annum. Angela Behrend-Görnemann is paid in Euros a total annual fee of €65,000 inclusive of fees in respect of the six subsidiaries.

The Directors conducted their annual review of the Directors' fees and with effect from 1 April 2016 the Chairman receives £35,000 per annum, the Audit Committee Chairman £25,000 with a base director fee of £20,000. The fee for all subsidiary positions including the leasing companies is set at £5,000, reducing the total fee for subsidiaries by £10,000 per annum.

The Directors of the Company received total fees from the Group as follows:

	Six months to 30 June 2016 (unaudited) US$	**Six months to 30 June 2015 (unaudited) US$**
Jonathan Bridel (Chairman)	36,416	37,239
Jeremy Thompson (Audit Committee Chairman)	31,133	33,324
Didier Benaroya	4,869	41,469
Angela Behrend-Görnemann	12,303	-
Total	**84,721**	**112,032**

Included within the Directors' fees for the six month period to 30 June 2015 is US$ 22,432 which is attributable to additional Directors' fees for the Company's second fundraising and is accounted for within the issue costs.

The Directors' interests in the shares of the Company are detailed below:

	30 June 2016 Number of ordinary shares	**31 December 2015 Number of ordinary shares**
Jonathan Bridel	7,500	7,500
Jeremy Thompson	15,000	15,000
Didier Benaroya	-	-

17) MATERIAL CONTRACTS

Asset Management Agreement

The Asset Management Agreement, dated 19 September 2013, between the Company and DS Aviation was amended on 5 June 2015 to reflect the acquisition of the two new aircraft.

The amended agreement provides a new calculation methodology for the disposal fee which will only become payable when all four of the Assets have been sold after the expiry of the fourth Thai Airways lease in December 2026. The fee will be calculated as a percentage of the aggregate net sale proceeds of the four Assets, such percentage rate depending upon the Initial Investor Total Asset Return per share being the total amount distributed to an initial investor by way of dividend, capital return or otherwise over the life of the Company. If each of the Assets is sold subsequent to the expiry of their respective leases, the percentage rate shall be:

- Nil if the Initial Investor Total Asset Return per share is less than 205%,
- 1.5% if the Initial Total Asset Return per share equals or exceeds 205% but is less than 255%,
- 2% if the Initial Total Asset Return per share equals or exceeds 255% but is less than 305%, or
- 3% if the Initial Total Asset Return per share equals or exceeds 305%.

In the event that any of the Assets is sold prior to the expiry of its lease the percentage hurdles set out above will be adjusted on the following basis:

(i) an amount will be deducted in respect of each Asset sold prior to the expiry of its lease, equal to the net present value of the aggregate amount of dividends per share that were targeted to be paid but were not paid as a result of the early divestment of the relevant Asset; and

(ii) a further amount will be deducted, in respect of each Asset sold prior to the expiry of its lease, equal to the amount by which the proportion of the non-dividend component of the relevant percentage hurdle attributable to the relevant Asset would need to be reduced in order to meet its net present value.

The disposal fee is a cash-settled share-based payment under IFRS 2 Share Based Payments. In determining the provision for the financial statements, the Directors have estimated the fee that will be payable on disposal of the assets. This has then been discounted using the group's weighted average cost of capital and is then recognised in line with the revenue generated by those assets over the period until the estimated payment date. The provision for the disposal fee at 30 June 2016 was US$ 474,288 (31 December 2015: US$ 349,238) and the discount rate used was 7.86% (31 December 2015: 7.59%).

The Asset Manager is paid a base fee which is US$ 21,354 per month in respect of the first two Assets increasing by 2.5% per annum and US$ 16,666 per month in respect of the second two Assets increasing by 2.5% per annum from May 2016. In the six month period ended 30 June 2016 Asset Management fees totalled US$ 464,311 (Six month period ended 30 June 2015 US$ 270,690) of which US$ 77,941 were due at 30 June 2016 (31 December 2015: US$ 77,107).

Pursuant to the agreement, the Asset Manager received an arrangement fee of US$ 2.72 million in respect of the acquisition of the first two assets, and an arrangement fee of US$ 2.07 million in respect of the acquisition of the third and fourth assets.

18) SEGMENTAL INFORMATION

The Group is engaged in one operating segment, being acquiring, leasing and subsequent selling of Aircraft. The geographical location of the Assets of the Group is Norway and Thailand, where the Assets are registered. The income arising from the lease of the Assets originates from two lessees, one in Norway and one in Thailand.

19) SUBSEQUENT EVENTS

On 18 July 2016 the Company declared a dividend in respect of the quarter ended 30 June 2016 of US$ 0.0225 per ordinary share to holders of shares on the register at 29 July 2016. The ex-dividend date was 28

July 2016 with payment on 15 August 2016.

COMPANY INFORMATION

Registered Office	To 18 July 2016: 1 Le Truchot St Peter Port Guernsey GY1 1WD Channel Islands From 19 July 2016: East Wing Trafalgar Court Les Banques St Peter Port Guernsey GY1 3PP Channel Islands
Asset Manager	DS Aviation GmbH & Co. KG Stockholmer Allee 53 44269 Dortmund Germany
Solicitors to the Company (as to English law)	Norton Rose Fulbright LLP 3 More London Riverside London SE1 2AQ United Kingdom
Advocates to the Company (as to Guernsey law)	Ogier Ogier House St Julian's Avenue St Peter Port Guernsey GY1 1WA Channel Islands
Auditor	KPMG, Chartered Accountants 1 Harbourmaster Place IFSC Dublin 1 Ireland
Administrator and Company Secretary	To 18 July 2016: Fidante Partners (Guernsey) Limited 1 Le Truchot St Peter Port Guernsey GY1 1WD Channel Islands From 19 July 2016: Aztec Financial Services (Guernsey) Limited East Wing Trafalgar Court

	Les Banques St Peter Port Guernsey GY1 3PP Channel Islands
Corporate Broker	Canaccord Genuity Limited 88 Wood Street London EC2V 7QR United Kingdom