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DANAOS CORPORATION

Danaos Corporation Reports Third Quarter and Nine Months Results for the Period Ended September 30, 2008.

Athens, Greece, October 31, 2008 – Danaos Corporation ("Danaos") (NYSE: DAC), a leading international owner of containerships, today reported unaudited results for the period ended September 30, 2008.

Highlights for the Third Quarter and Nine Months Ended September 30, 2008:

- **Net earnings from continuing operations of $28.0 million or $0.51 per share and $93.2 million or $1.71 per share for the quarter and the nine months ended September 30, 2008, respectively, compared to $25.5 million or $0.47 per share and $78.4 million or $1.44 per share for the respective periods of 2007.**
- **Operating revenues from continuing operations of $76.4 million and $220.2 million for the quarter and the nine months ended September 30, 2008, respectively, compared to $62.6 million and $187.5 million for the respective periods of 2007.**
- **EBITDA from continuing operations of $51.0 million and $156.9 million for the quarter and the nine months ended September 30, 2008, respectively, compared to $40.3 million and $122.8 million for the respective periods of 2007.**
- **Paid dividends of $0.465 per share on August 20, 2008, for the second quarter of 2008 and declared dividends of $0.465 per share for the third quarter of 2008, payable on November 19, 2008, for all shareholders on record as of November 5, 2008.**

Danaos' CEO Dr. John Coustas commented:

Our nine month and 3rd quarter results were excellent. Our combined fleet today stands at 70 large cellular containerships, all of which are chartered for long periods at fixed rates. Out of these 70 vessels, we expect 32 to be gradually delivered for operations until the third quarter of 2011.

During the third quarter we were able to once more successfully continue expanding our credit facilities and implementing our growth strategy by adding new vessels to our fleet. We also managed to extend our chartering arrangements while we further applied cost control strategies to boost the quality of our operations and the overall performance of our business.

Since the beginning of the year we have managed to arrange $1.1 billion in new credit facilities. Out of those $560 million were negotiated during the first quarter, while since the beginning of the third quarter we have arranged additional credit lines for an impressive $550 million. We believe that this fact alone further underscores the strength of Danaos' credit and the faith of our lenders in our business model and our hands-on management. We will continue to arrange further credit facilities in line with our financing program and strategy.

On the operations side we added two 4,250 TEU new-building containerships in our fleet which immediately entered into 12 year charters with ZIM Lines. In September we also extended the employment of the MAERSK Deva at an increased charter rate for another two years until March 2011.

Last, but equally important, we will refer to our successful cost management. Slow steaming and a rapidly falling average age of our fleet combined with our efforts to further control costs related to crews and maintenance have led to notable results. Our daily operating cost per vessel for the first nine months in 2008 increased by just 2.8% compared to that for the same period in 2007. At the same time our daily operating cost was 2.9% lower this quarter compared to that of the second quarter.

We believe that our business model, which is based on long term fixed rate chartering to some of the largest liner companies in the world, gives protection to our top line against volatility and weakness in the charter market. Furthermore, our continued and recently demonstrated ability to

raise debt during a period where credit has become very scarce, underlines both our solid strategy and the continued confidence in Danaos by our lending banks. We continue to have a strong balance sheet which together with our strong cash flow allows us to closely monitor the sale & purchase market and consider any opportunities for further growth as they may arise.

Finally, on October 24, 2008, our Board of Directors declared a dividend of $0.465 per share for the third quarter, which will be paid on November 19, 2008. The dividend reflects the continuing growth of our operations, our confidence in the stability of our business model and our dedication to support shareholder value through enhanced distributable cash flows.

Three months ended September 30, 2008 compared to the three months ended September 30, 2007

During the quarter ended September 30, 2008, Danaos had an average of 38.1 containerships as opposed to 31.1 containerships for the same period of 2007. During the third quarter we acquired two vessels the Zim Rio Grande on July 4, 2008 and the Zim Sao Paolo on September 22, 2008. Our fleet utilization was 98.8% in the third quarter of 2008.

Given the sale of our entire dry bulk fleet in the beginning of 2007, management has determined that the dry bulk business constituted discontinued operations. The management and discussion analysis solely reflects results from continuing operations (containerships), unless otherwise noted.

Our net income was $28.0 million or $0.51 per share for the third quarter of 2008 compared to $25.5 million or $0.47 per share for the third quarter of 2007, which represents an increase of 9.8% or $2.5 million. Distributable cash flow, defined as net income before depreciation & amortization, less payments for drydocking and special survey costs was $40.5 million for the third quarter of 2008. Our declared dividend of $25.4 million for the third quarter of 2008 represents 62.7% of our distributable cash flow.

Operating Revenue

Operating revenue increased 22.0%, or $13.8 million, to $76.4 million in the quarter ended September 30, 2008 from $62.6 million in the quarter ended September 30, 2007. The increase was primarily attributed to the addition to our fleet of nine vessels, as follows:

Vessel Name	Vessel Size (TEU)	Date Delivered
Hyundai Future	2,200	October 2, 2007
YM Singapore	4,300	October 9, 2007
Hyundai Sprinter	2,200	October 15, 2007
YM Vancouver	4,253	November 27, 2007
Hyundai Progress	2,200	February 11, 2008
Hyundai Highway	2,200	March 18, 2008
Hyundai Bridge	2,200	March 20, 2008
Zim Rio Grande	4,253	July 4, 2008
Zim Sao Paolo	4,253	September 22, 2008

These additions to our fleet contributed revenues of $14.3 million during the three months ended September 30, 2008. Moreover, a 4,253 TEU containership, the YM Seattle and three 2,200 TEU containerships, the Hyundai Vladivostok, the Hyundai Advance and the Hyundai Stride, which were added to our fleet on September 10, 2007, July 23, 2007, August 20, 2007 and September 5, 2007, respectively, contributed incremental revenues of $4.1 million during the three months ended September 30, 2008 compared to the three months ended September 30, 2007. In addition, the Company sold three vessels as follows:

Vessel Name	Vessel Size (TEU)	Date Sold
APL Belgium	5,506	January 15, 2008
Winterberg	3,101	January 25, 2008
Maersk Constantia	3,101	May 20, 2008

These vessel sales reduced operating revenue by $4.3 million during the three months ended September 30, 2008. Moreover a 5,506 TEU containership, the APL Holland, which was sold on August 3, 2007, contributed $0.9 million less revenue during the three months ended September 30, 2008 compared to the three months ended September 30, 2007.

We also had a further increase in revenues of $0.6 million attributed to higher charter rates achieved due to the re-chartering of certain vessels.

Vessel Operating Expenses
Our daily operating expenses per vessel increased 4.3% compared on a quarter on quarter basis. The increase was mainly due a general increase in costs experienced by the overall industry. At the same time, our daily operating expenses per vessel compared to those of the second quarter of 2008 decreased by 2.9%, which was mainly attributed to the decrease of the average age of our fleet as a result of the addition of two new building vessels during the third quarter of 2008, as well as lower lubricant expenses attributed to slow steaming and lower insurance cost.

In absolute numbers, vessel operating expenses increased 47.1% or $7.3 million, to $22.8 million in the quarter ended September 30, 2008, from $15.5 million in the quarter ended September 30, 2007. The increase was mainly due to the increase in the average number of our vessels in our fleet during the quarter ended September 30, 2008 compared to the quarter ended September 30, 2007.

Depreciation & Amortization
Depreciation & Amortization includes Depreciation and Amortization of Deferred Dry-docking and Special Survey Costs.

Depreciation
Depreciation expense increased 36.8%, or $3.5 million, to $13.0 million in the quarter ended September 30, 2008, from $9.5 million in the quarter ended September 30, 2007. The increase in depreciation expense was due to the increased average number of vessels in our fleet during the quarter ended September 30, 2008 compared to the same period of 2007.

Amortization of Deferred Dry-docking and Special Survey Costs
Amortization of deferred dry-docking and special survey costs increased 18.8%, or $0.3 million to $1.9 million in the quarter ended September 30, 2008, from $1.6 million in the quarter ended September 30, 2007. The increase reflects higher drydocking costs incurred, which were subject to amortization during the three months ended September 30, 2008 as compared to the same period of 2007.

General and Administrative Expenses
General and administrative expenses increased 12.0%, or $0.3 million, to $2.8 million in the quarter ended September 30, 2008, from $2.5 million in the same quarter of 2007. The increase was primarily a result of increased fees of $0.4 million paid to our Manager in the third quarter of 2008 compared to the same period of 2007, attributed to the increase in the average number of our vessels in our fleet.

Other Operating Expenses
Other Operating Expenses include Voyage Expenses

Voyage Expenses
Voyage expenses decreased 10.0% or $0.2 million, to $1.8 million in the quarter ended September 30, 2008, from $2.0 million for the quarter ended September 30, 2007.

Interest Expense and Interest Income
Interest expense increased 108.3%, or $5.2 million, to $10.0 million in the quarter ended September 30, 2008, from $4.8 million in the quarter ended September 30, 2007. The change in interest expense was due to the increase in our average debt by $1,107.5 million to $1,856.3 million in the quarter ended September 30, 2008 from $748.8 million in the quarter ended September 30, 2007, partially offset by the financing of our extensive new-building program which resulted in interest capitalization of $12.6 million for the quarter ended September 30, 2008 as opposed to $6.1 million of capitalized interest for the quarter ended September 30, 2007.

Interest income increased by $0.8 million, to $1.9 million in the quarter ended September 30, 2008, from $1.1 million in the quarter ended September 30, 2007. The increase in interest income is mainly attributed to higher average cash deposits during the three months ended September 30, 2008 as opposed to the three months ended September 30, 2007, partially offset by lower interest rates.

The increase in restricted cash is attributed to $282.0 million additional cash which we raised through our revolving credit facilities during the third quarter of 2008. These funds are now designated to finance certain of our new buildings and will be gradually utilized to fund progress payments of these new buildings up to their deliveries through the second quarter of 2010.

EBITDA
EBITDA from continuing operations increased by $10.7 million, or 26.6%, to $51.0 million in the quarter ended September 30, 2008, from $40.3 million in the quarter ended September 30, 2007. A table reconciling EBITDA to net income can be found at the end of this earnings release.

Nine months ended September 30, 2008 compared to the nine months ended September 30, 2007

During the nine months ended September 30, 2008, Danaos had an average of 37.3 containerships as opposed to 31.0 containerships for the same period of 2007. During the nine months of 2008, we acquired five vessels, the Hyundai Progress on February 11, 2008, the Hyundai Highway on March 18, 2008, the Hyundai Bridge on March 20, 2008, the Zim Rio Grande on July 4, 2008 and the Zim Sao Paolo on September 22, 2008. In addition, we sold three vessels, the APL Belgium on January 15, 2008, the Winterberg on January 25, 2008 and the Maersk Constantia on May 20, 2008.

Given the sale of our entire dry bulk fleet in the beginning of 2007, management has determined that the dry bulk business constituted discontinued operations. The management and discussion analysis solely reflects results from continuing operations (containerships), unless otherwise noted.

Our net income was $93.2 million or $1.71 per share for the nine months ended September 30, 2008 compared to $78.4 million or $1.44 per share for the nine months ended September 30, 2007, an increase in net income of 18.9% or $14.8 million. Earnings per share, excluding the gain on sale of vessels of $14.9 million, were $1.44 for the nine months ended September 30, 2008. Distributable cash flow, defined as net income before depreciation & amortization, less payments for drydocking and special survey costs, was $126.9 million for the nine months ended September 30, 2008. We paid a dividend of $25.4 million for the first and the second quarter of 2008, respectively, and we declared a dividend of $25.4 million for the third quarter of 2008, which in aggregate represent 60.0% of our distributable cash flow for the nine months ended September 30, 2008.

Operating Revenue
Operating revenue increased 17.4%, or $32.7 million, to $220.2 million in the nine months ended September 30, 2008 from $187.5 million in the nine months ended September 30, 2007. The increase was primarily attributed to the addition to our fleet of nine vessels, as follows:

Vessel Name	Vessel Size (TEU)	Date Delivered
Hyundai Future	2,200	October 2, 2007
YM Singapore	4,300	October 9, 2007
Hyundai Sprinter	2,200	October 15, 2007
YM Vancouver	4,253	November 27, 2007
Hyundai Progress	2,200	February 11, 2008
Hyundai Highway	2,200	March 18, 2008
Hyundai Bridge	2,200	March 20, 2008
Zim Rio Grande	4,253	July 4, 2008
Zim Sao Paolo	4,253	September 22, 2008

These additions to our fleet contributed revenues of $35.3 million during the nine months ended September 30, 2008. Moreover, two 4,253 TEU containerships, the YM Colombo and the YM Seattle and three 2,200 TEU containerships, the Hyundai Vladivostok, the Hyundai Advance and the Hyundai Stride, which were added to our fleet on March 12, 2007, on September 10, 2007, on July 23, 2007, on August 20, 2007 and on September 5, 2007, respectively, contributed incremental revenues of $19.4 million during the nine months ended September 30, 2008 compared to the nine months ended September 30, 2007. In addition since January 1, 2007, the Company sold six vessels as follows:

Vessel Name	Vessel Size (TEU)	Date Sold
APL England	5,506	March 7, 2007
APL Scotland	5,506	June 22, 2007
APL Holland	5,506	August 3, 2007
APL Belgium	5,506	January 15, 2008
Winterberg	3,101	January 25, 2008
Maersk Constantia	3,101	May 20, 2008

These sales reduced operating revenue by $21.8 million during the nine months ended September 30, 2008 compared to the same period in the prior year.

Vessel Operating Expenses
Our daily operating expenses per vessel between the nine month periods of 2007 and 2008 increased by 2.8%. The increase was mainly due to higher crew wages partially offset by lower lubricant expenses attributed to slow steaming and lower insurance cost.

In absolute numbers vessel operating expenses increased 39.7% or $18.5 million, to $65.1 million in the nine months ended September 30, 2008, from $46.6 million in the nine months ended September 30, 2007. The increase was mainly due to the increase in the average number of our vessels in our fleet during the nine months ended September 30, 2008 compared to the nine months ended September 30, 2007.

Depreciation & Amortization
Depreciation & Amortization includes Depreciation and Amortization of Deferred Dry-docking and Special Survey Costs.

Depreciation
Depreciation expense increased 27.8%, or $8.1 million, to $37.2 million in the nine months ended September 30, 2008, from $29.1 million in the nine months ended September 30, 2007. The increase in depreciation expense was due to the increased average number of vessels in our fleet during the nine months ended September 30, 2008, compared to the same period of 2007.

Amortization of Deferred Dry-docking and Special Survey Costs
Amortization of deferred dry-docking and special survey costs increased 20.5%, or $0.9 million, to $5.3 million in the nine months ended September 30, 2008, from $4.4 million in the nine months ended September 30, 2007. The increase reflects higher dry-docking costs incurred, which were subject to amortization during the nine months ended September 30, 2008 as compared to the same period of 2007.

General and Administrative Expenses
General and administrative expenses increased 17.8%, or $1.3 million, to $8.6 million in the nine months ended September 30, 2008, from $7.3 million in the same period of 2007. The increase was mainly a result of increased fees of $1.0 million paid to our Manager in the nine months ended September 30, 2008 compared to the same period of 2007 attributed to the increase in the average number of our vessels in our fleet. Moreover, public company related and other administrative expenses were higher by $0.3 million in the nine months ended September 30, 2008 compared with the nine months ended September 30, 2007.

Gain / (loss) on sale of vessels
The gain on sale of vessels for the nine months ended September 30, 2008, reflects the sale of the APL Belgium, the Winterberg and the Maersk Constantia for $44.5 million, $11.2 million and $15.8 million, respectively, resulting in an aggregate net gain of $14.9 million.

Other Operating Expenses
Other Operating Expenses include Voyage Expenses

Voyage Expenses
Voyage expenses increased 9.3% or $0.5 million, to $5.9 million in the nine months ended September 30, 2008, from $5.4 million for the nine months ended September 30, 2007. The increase was mainly a result of increased bunker costs of $0.7 million, attributed to the repositioning of two of our vessels, during the second quarter of 2008. Our vessels are not otherwise subject to fuel costs, which are paid by our charterers.

Interest Expense and Interest Income
Interest expense increased 73.1%, or $10.6 million, to $25.1 million in the nine months ended September 30, 2008, from $14.5 million in the nine months ended September 30, 2007. The change in interest expense was due to the increase in our average debt by $909.3 million to $1,603.2 million in the nine months ended September 30, 2008 from $693.9 million in the nine months ended September 30, 2007, partially offset by the financing of our extensive new-building program which resulted in capitalized interest of $35.4 million for the nine months ended September 30, 2008 as opposed to $13.1 million of capitalized interest for the nine months ended September 30, 2007.

Interest income increased 5.4%, or $0.2 million, to $3.9 million in the nine months ended September 30, 2008, from $3.7 million in the nine months ended September 30, 2007. The increase in interest income is mainly attributed to higher average restricted cash deposits, partially offset by lower interest rates, during the nine months ended September 30, 2008 as opposed to the nine months ended September 30, 2007.

The increase in restricted cash is attributed to $282.0 million additional cash which we raised through our revolving credit facilities during the third quarter of 2008. These funds are now designated to finance certain of our new buildings and will be gradually utilized to fund progress payments of these new buildings up to their deliveries through the second quarter of 2010.

EBITDA
EBITDA from continuing operations increased by $34.1 million, or 27.8%, to $156.9 million in the nine months ended September 30, 2008, from $122.8 million in the nine months ended September 30, 2007. A table reconciling EBITDA to net income can be found at the end of this earnings release.

Dividend Payment
On July 25, 2008, the Board of Directors declared a dividend of $0.465 per common share for the second quarter of 2008 for all shareholders of record as of the close of business on August 6, 2008, paid on August 20, 2008. On October 24, 2008, the Board of Directors declared a dividend of $0.465 per common share for the third quarter of 2008 for all shareholders of record as of the close of business on November 5, 2008, payable on November 19, 2008.

Recent News
Since the beginning of the 3rd quarter of 2008 the Company has entered into two credit agreements for term loan facilities in the total amount of $550 million to finance part of its new-building program. The facilities have been fully underwritten by Fortis Bank, Lloyds TSB, National Bank of Greece, Deutsche Schiffsbank, Credit Suisse and Emporiki Bank, a subsidiary of Credit Agricole.

Conference Call and Webcast
On Monday, November 3, 2008 at 9:00 A.M. EST, the Company's management will host a conference call to discuss the results.

Conference Call details: Participants should dial into the call 10 minutes before the scheduled time using the following numbers: 1 866 819 7111 (US Toll Free Dial In), 0800 953 0329 (UK Toll Free Dial In) or +44 (0)1452 542 301 (Standard International Dial In). Please quote “Danaos” to the operator.

A telephonic replay of the conference call will be available until November 10, 2008 by dialing 1 866 247 4222 (US Toll Free Dial In), 0800 953 1533 (UK Toll Free Dial In) or +44 (0)1452 550 000 (Standard International Dial In). Access Code: 1186615#.

Audio webcast: There will also be a live and then archived webcast of the conference call through the Danaos website (www.danaos.com). Participants to the live webcast should register on the website approximately 10 minutes prior to the start of the webcast.

About Danaos Corporation

Danaos Corporation is an international owner of containerships, chartering its vessels to many of the world's largest liner companies. Our current fleet of 38 containerships aggregating 152,022 TEUs ranks Danaos among the largest containership charter owners in the world based on total TEU capacity. Danaos is the largest US listed containership company based on fleet size. Furthermore, the company has a contracted fleet of 32 additional containerships aggregating 234,962 TEU with scheduled deliveries up to 2011. The company's shares trade on the New York Stock Exchange under the symbol "DAC".

Forward-Looking Statement

Matters discussed in this release may constitute forward-looking statements within the meaning of the safeharbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements reflect our current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although Danaos Corporation believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, Danaos Corporation cannot assure you that it will achieve or accomplish these expectations, beliefs or projections. Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including changes in charter hire rates and vessel values, shipyard performance, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled drydocking, changes in Danaos Corporation’s operating expenses, including bunker prices, dry-docking and insurance costs, actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists.

Risks and uncertainties are further described in reports filed by Danaos Corporation with the U.S. Securities and Exchange Commission.

Visit our website at www.danaos.com

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Appendix

Fleet Utilization

Danaos had 42 off-hire days in total in the third quarter of 2008. The following table summarizes vessel utilization and the impact of the off-hire days on the company's revenue relating to the last four quarters.

	Fourth Quarter 2007	First Quarter 2008	Second Quarter 2008	Third Quarter 2008	Total
Vessel utilization	No. of Days	No. of Days	No. of Days	No. of Days	No. of Days
Ownership days	3,324	3,301	3,417	3,502	13,544
Less Off-hire Days:					
Scheduled off-hire Days	(81)	(159)	(78)	(40)	(358)
Other off-hire Days	(24)	(1)	—	(2)	(27)
Operating Days	3,219	3,141	3,339	3,460	13,159
Vessel Utilization	96.8%	95.2%	97.7%	98.8%	97.2%
Revenue - Impact of Off-hire (in '000s of US dollars)					
100% fleet utilization	$ 72,006	$ 70,689	$ 74,482	$ 77,303	$ 294,480
Less Off-hire Days:					
Scheduled off-hire Days	(46)	(796)	(573)	(807)	(2,222)
Other off-hire Days	(625)	(16)	—	(80)	(721)
Actual Revenue Earned	$ 71,335	$ 69,877	$ 73,909	$ 76,416	$ 291,537

Fleet List

The following table describes in detail our fleet deployment profile as of October 31, 2008.

Vessel Name	Vessel Size (TEU)	Year Built	Expiration of Charter[1]
Containerships			
CSCL Le Havre	9,580	2006	September 2018
CSCL Pusan	9,580	2006	July 2018
MSC Baltic	8,468	2004	September 2016
CSCL Europe	8,468	2004	June 2016
MSC Marathon[5]	4,814	1991	September 2011
Maersk Messologi	4,814	1991	September 2011
Maersk Mytilini	4,814	1991	September 2011
MOL Affinity[3]	4,651	1992	March 2011
Hyundai Duke	4,651	1992	February 2011
APL Confidence[4]	4,651	1994	September 2012
YM Colombo	4,300	2004	March 2019
YM Singapore	4,300	2004	October 2019
YM Seattle	4,253	2007	July 2019
YM Vancouver	4,253	2007	September 2019
Maersk Derby	4,253	2004	February 2009
Maersk Deva	4,253	2004	January 2011
ZIM Rio Grande	4,253	2008	May 2020
ZIM Sao Paolo	4,253	2008	August 2020
Al Rayyan	3,908	1989	January 2011
YM Yantian	3,908	1989	July 2011
YM Milano	3,129	1988	May 2011
Sederberg	3,101	1978	March 2009
CMA CGM Lotus	3,098	1988	July 2010
CMA CGM Vanille	3,045	1986	July 2010
CMA CGM Passiflore	3,039	1986	May 2010
CMA CGM Elbe	2,917	1991	June 2010
CMA CGM Kalamata	2,917	1991	June 2010
CMA CGM Komodo	2,917	1991	June 2010
Hyundai Advance	2,200	1997	June 2017
Hyundai Future	2,200	1997	August 2017
Hyundai Sprinter	2,200	1997	August 2017
Hyundai Stride	2,200	1997	July 2017
Hyundai Progress	2,200	1998	December 2017
Hyundai Bridge	2,200	1998	January 2018
Hyundai Highway	2,200	1998	January 2018
Hyundai Vladivostok	2,200	1997	May 2017
Montreal Senator[2]	2,130	1984	March 2010
MSC Eagle	1,704	1978	January 2010

(1) Earliest date charters could expire. Some charters include options to extend their term.
(2) On April 8, 2008, the *Pacific Bridge* was renamed to *Montreal Senator* at the request of the charterer of this vessel.
(3) On April 15, 2008, the *Hyundai Commodore* was renamed to *MOL Affinity* at the request of the charterer of this vessel.
(4) On June 2, 2008, the *MOL Confidence* was renamed to *APL Confidence* at the request of the charterer of this vessel.
(5) On August 22, 2008, the *Maersk Marathon* was renamed to *MSC Marathon* at the request of the charterer of this vessel.

New Deliveries

The following table describes the expected additions to our fleet as a result of our new building containership program.

Vessel Name	Vessel Size (TEU)	Expected Delivery	Time Charter Term
HN 1672	4,253	November 2008	12 years
HN 1673	4,253	December 2008	12 years
HN 1698	4,253	March 2009	12 years
HN S4001[(1)]	6,500	April 2009	12 years
HN 1699	4,253	June 2009	12 years
HN S4002[(1)]	6,500	June 2009	12 years
HN S4003[(1)]	6,500	August 2009	12 years
HN S4004[(1)]	6,500	October 2009	12 years
HN N-214	6,500	November 2009	18 years
HN N-219	3,400	November 2009	10 years
HN S4005[(1)]	6,500	December 2009	12 years
HN N-220	3,400	January 2010	10 years
HN N-215	6,500	January 2010	18 years
HN N-221	3,400	February 2010	10 years
HN N-216	6,500	March 2010	15 years
HN N-222	3,400	April 2010	10 years
HN N-223	3,400	May 2010	10 years
HN N-217	6,500	May 2010	15 years
HN Z00001	8,530	May 2010	12 years
HN Z00002	8,530	May 2010	12 years
HN Z00003	8,530	July 2010	12 years
HN Z00004	8,530	July 2010	12 years
HN N-218	6,500	July 2010	15 years
HN H 1022A	8,530	September 2010	12 years
Hull No S-461	10,100	January 2011	12 years
Hull No S-456	12,600	January 2011	12 years
Hull No S-462	10,100	February 2011	12 years
Hull No S-463	10,100	March 2011	12 years
Hull No S-457	12,600	March 2011	12 years
Hull No S-458	12,600	May 2011	12 years
Hull No S-459	12,600	June 2011	12 years
Hull No S-460	12,600	August 2011	12 years

(1) Vessel subject to charterer's option to purchase vessel after first eight years of time charter term for $78.0 million.

DANAOS CORPORATION
Statements of Income
(Expressed in thousands of United States dollars, except share and per share amounts)

	Three months ended September 30, 2008	Three months ended September 30, 2007	Nine months ended September 30, 2008	Nine months ended September 30, 2007
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
OPERATING REVENUES	**$76,416**	**$62,643**	**$220,202**	**$187,510**
OPERATING EXPENSES				
Vessel operating expenses	(22,771)	(15,543)	(65,135)	(46,631)
Depreciation & amortization	(14,992)	(11,130)	(42,484)	(33,515)
General & administrative	(2,781)	(2,450)	(8,614)	(7,260)
Gain / (loss) on sale of vessels	-	(51)	14,928	(286)
Other operating expenses	(1,759)	(2,030)	(6,099)	(5,393)
Income From Operations	**34,113**	**31,439**	**112,798**	**94,425**
OTHER EARNINGS (EXPENSES)				
Interest income	1,921	1,118	3,861	3,677
Interest expense	(10,004)	(4,794)	(25,083)	(14,471)
Other finance cost, net	(372)	(689)	(1,648)	(1,586)
Other income / (expenses), net	822	(1,568)	740	(4,527)
Gain / (loss) on derivatives	1,491	(12)	2,562	930
Total Other Income (Expenses), net	**(6,142)**	**(5,945)**	**(19,568)**	**(15,977)**
Net income from continuing operations	**$27,971**	**$25,494**	**$93,230**	**$78,448**
Net (loss) income from discontinued operations	**(38)**	**(3)**	**(1,560)**	**92,174**
Net Income	**$27,933**	**$25,491**	**$91,670**	**$170,622**
EARNINGS PER SHARE (from continuing operations)				
Basic and diluted net income per share	$0.51	$0.47	$1.71	$1.44
EARNINGS PER SHARE				
Basic and diluted net income per share	$0.51	$0.47	$1.68	$3.13
Basic and diluted weighted average number of shares (in thousands of shares)	54,558	54,558	54,558	54,558

DANAOS CORPORATION
Balance Sheets
(Expressed in thousands of United States dollars)

	As of September 30, 2008 (unaudited)	As of December 31, 2007 (audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$66,495	$63,495
Restricted cash	323,021	46,179
Accounts receivable, net	2,504	4,321
Other current assets	27,957	18,993
	419,977	132,988
NON-CURRENT ASSETS		
Fixed assets, net	1,293,419	1,182,505
Advances for vessel acquisitions and vessels under construction	1,011,943	745,534
Deferred charges, net	15,358	10,431
Other non-current assets	966	333
	2,321,686	1,938,803
TOTAL ASSETS	**2,741,663**	**2,071,791**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Long-term debt, current portion	32,219	25,619
Accounts payable, accrued liabilities & other current liabilities	29,436	24,092
Fair value of financial instruments, current portion	-	1,402
	61,655	51,113
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	1,986,660	1,330,927
Fair value of financial instruments, net of current portion	112,923	56,537
Other long-term liabilities	6,666	8,310
	2,106,249	1,395,774
STOCKHOLDERS' EQUITY		
Common stock	546	546
Additional paid-in capital	288,577	288,530
Accumulated other comprehensive income	(121,640)	(54,886)
Retained earnings	406,276	390,714
	573,759	624,904
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$2,741,663**	**$2,071,791**

DANAOS CORPORATION
Statements of Cash Flows
(Expressed in thousands of United States dollars)

	Three months ended September 30, 2008 (unaudited)	Three months ended September 30, 2007 (unaudited)	Nine months ended September 30, 2008 (unaudited)	Nine months ended September 30, 2007 (unaudited)
Cash Flows provided by / (used in):				
Operating Activities:				
Net income	$27,933	$25,491	$91,670	$170,622
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	13,043	9,530	37,168	29,548
Amortization of deferred charges	2,018	1,640	5,452	4,664
Written off amount of deferred charges	—	160	309	444
Stock based compensation	24	—	47	—
Payments for drydocking / special survey	(2,509)	(1,445)	(8,765)	(6,071)
Change in fair value of debt and financial instruments	(5,483)	13	(12,585)	(1,046)
(Gain) / Loss on sale of vessels	—	51	(14,928)	(88,349)
Accounts receivable	(227)	414	1,817	897
Other assets, current and non-current	(2,039)	(3,150)	(2,669)	(9,386)
Accounts payable and accrued liabilities	(2,577)	(938)	4,668	(2,118)
Other liabilities, current and non-current	(338)	(569)	(968)	15,182
Cash provided by Operating Activities	**29,845**	**31,197**	**101,216**	**114,387**
Investing Activities:				
Vessel acquisitions including advances	(45)	(99,372)	(76,525)	(155,107)
Vessels under construction	(151,318)	(158,370)	(397,188)	(320,238)
Proceeds from sale of vessels	—	44,481	69,103	275,768
Cash (used in) / provided by Investing Activities	**(151,363)**	**(213,261)**	**(404,610)**	**(199,577)**
Financing Activities:				
Debt draw downs	399,760	305,000	715,213	541,177
Debt repayment	(9,217)	(87,217)	(53,026)	(318,844)
Dividends paid	(25,369)	(24,005)	(76,108)	(72,016)
Deferred costs	(1,265)	—	(2,843)	(870)
Increase in restricted cash	(277,559)	7,393	(276,842)	(31,810)
Cash provided by / (used in) Financing Activities	**86,350**	**201,171**	**306,394**	**117,637**
Net change in cash and cash equivalents	(35,168)	19,107	3,000	32,447
Cash and cash equivalents, beginning of period	101,663	56,415	63,495	43,075
Cash and cash equivalents, end of period	**$66,495**	**$75,522**	**$66,495**	**$75,522**

Reconciliation of Net Income to EBITDA	Three months ended September 30,	Three months ended September 30,	Nine months ended September 30,	Nine months ended September 30,
	2008	2007	2008	2007
		(unaudited)		
Net income	$27,971	$25,494	$93,230	$78,448
Depreciation	13,043	9,530	37,168	29,077
Amortization of deferred charges	1,949	1,600	5,316	4,438
Interest income	(1,921)	(1,118)	(3,861)	(3,677)
Interest expense	10,004	4,794	25,083	14,471
EBITDA [(1)] from continuing operations	**$51,046**	**$40,300**	**$156,936**	**$122,757**
EBITDA [(1)] from discontinued operations	(38)	(5)	(1,560)	93,120
EBITDA [(1)]	**$51,008**	**$40,295**	**$155,376**	**$215,877**

(1) EBITDA represents net income before interest, income tax expense, depreciation and amortization. However, EBITDA is not a recognized measurement under U.S. generally accepted accounting principles, or "GAAP." We believe that the presentation of EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. We also believe that EBITDA is useful in evaluating our ability to service additional debt and make capital expenditures. In addition, we believe that EBITDA is useful in evaluating our operating performance and liquidity position compared to that of other companies in our industry because the calculation of EBITDA generally eliminates the effects of financings, income taxes and the accounting effects of capital expenditures and acquisitions, items which may vary for different companies for reasons unrelated to overall operating performance and liquidity.