

**Danaos Corporation Reports Fourth Quarter and Full Year Results for the Year Ended December 31, 2008.**

**Athens, Greece, March 11, 2009** – Danaos Corporation (“Danaos”) (NYSE: DAC), a leading international owner of containerships, today reported unaudited results for the fourth quarter and the full year ended December 31, 2008.

**Highlights for the Fourth Quarter and Full Year Ended December 31, 2008:**

- **Net earnings on a comparable basis<sup>1</sup> from continuing operations of \$25.5 million or \$0.47 per share and \$118.7 million or \$2.18 per share for the quarter and the year ended December 31, 2008, respectively, compared to \$25.5 million or \$0.47 per share and \$107.2 million or \$1.96 per share for the respective periods of 2007.**
- **Net earnings on a reported basis from continuing operations of \$23.8 million or \$0.44 per share and \$117.1 million or \$2.15 for the quarter and the year ended December 31, 2008, respectively, compared to \$44.6 million or \$0.82 per share and \$123.1 million or \$2.26 per share for the respective periods of 2007.**
- **Operating revenues from continuing operations of \$78.7 million and \$298.9 million for the quarter and the year ended December 31, 2008, respectively, compared to \$71.3 million and \$258.8 million for the respective periods of 2007.**
- **EBITDA on a comparable basis from continuing operations of \$51.3 million and \$208.2 million for the quarter and the year ended December 31, 2008, respectively, compared to \$45.0 million and \$171.0 million for the respective periods of 2007. EBITDA on a reported basis from continuing operations of \$49.6 million and \$206.6 million for the quarter and the year ended December 31, 2008, respectively, compared to \$64.1 million and \$186.9 million for the respective periods of 2007.**
- **Paid cash dividends of \$0.465 per share on November 19, 2008, for the third quarter of 2008 and suspended further dividend payments until the board of directors, in consultation with management, determines that economic conditions allow dividend payments to be resumed.**

<sup>1</sup> Adjusted for a non-recurring insurance expense of \$1.6 million related to prior years and recorded in the fourth quarter of 2008 as well as a non-recurring gain of \$19.1 million and \$15.9 million in the fourth quarter and the full year of 2007, respectively, in relation to leasing arrangements for six vessels in our fleet.

**Danaos’ CEO Dr. John Coustas commented:**

Despite the dramatic disruptions in world trade and financial markets in the latter part of 2008, for the full year of 2008 Danaos achieved solid earnings and strong revenue growth. We report net earnings from continuing operations of \$23.8 million or \$0.44 per share and \$117.1 million or \$2.15 per share for the quarter and the year ended December 31, 2008, respectively. I find this performance highly satisfactory as it vindicates our long standing business model premises of cash flow and earnings stability. Even under these most unfavorable circumstances, when our customers are increasingly coming under pressure with regards to their own top line, we have managed to retain the vigor of our revenues.

We have come to the end of a year where global demand has unexpectedly decreased dramatically following the virtual collapse of the banking system that began in September 2008. In this challenging environment, Danaos has successfully taken delivery of six new vessels in 2008 while at the same time sold five older vessels. We are now operating a fleet of 39 containerships and have an order book of 30 more.

The drop in world consumption of durable and consumer goods has been dramatic and rapid. Unlike after the tragic events of 9/11, when world trade came to a near halt for nine-months before returning to normal activity levels, the present drop in global demand extends well beyond the borders of the United States. We now face a world wide crisis, fundamentally driven by the failure of the world banking system and, so far, the inability of the institutions, including governments, to introduce sufficient remedies to reverse the situation.

Despite Danaos' satisfactory 2008 results, the extraordinary circumstances facing the world economy dictate that we take steps to prepare, to the extent possible, for a very challenging period of unknown duration.

1. Future revenues: We have arranged charters for all of our current and contracted vessels with some of the largest and most reliable counterparties in the shipping industry. Although the current economic situation is presenting everybody in our trade with new challenges, our chartering arrangements do not allow for unilateral modification of the prevailing terms.

We have recently arranged a one-year charter for our 4,250 TEU vessel which comes off charter in March at market rates. Following the liquidation of Senator Lines with which we had one 2,100 TEU vessel chartered until May 2010, we agreed the continuation of the charter with Hanjin Shipping, albeit at reduced rates. We have no further anticipated re-chartering until the second quarter of 2010.

2. New building program: We have 30 vessels on order, all of which are chartered at reasonable charter rates with some of the largest liner companies in the world. The abrupt decline in global demand has created a clear mismatch between demand for marine container transportation and the supply of containerships. In order to address both this oversupply and the timing of our funding requirements, we have, in cooperation with our charterers, successfully delayed the delivery, so far, of five new buildings, with aggregate remaining payments of approximately \$422 million, for up to eight months while we are in the final stages of pushing back the delivery of five more new buildings, with aggregate remaining payments of approximately \$386 million, for two to seven months. Thus, as of today we are expecting to take delivery of seven vessels during the current year, nine in 2010 and fourteen in 2011, with aggregate remaining payments of approximately \$549 million, \$823 million and \$807 million, respectively.

3. Financing: During the first months of 2009 we signed a new \$299 million loan facility with Deutsche Schiffsbank. This additional facility, together with the available undrawn capacity under our existing credit facilities and the cash expected to be generated by our operations, is expected to cover our 2009, and a portion of our 2010, funding requirements. We are currently in discussions to arrange additional financing for the unfunded part of our new building fleet and we believe that despite the challenging current credit conditions we will be able to obtain these additional funds in time to meet our commitments, also supported by the fact that all of our new buildings are already chartered for long term periods.

The recent drop in vessel values, as well as the unprecedented drop in interest rates which has resulted in negative valuation on our interest rate swaps, have affected our compliance with certain of our financial covenants. We have either received waivers or are in discussions with the lead arrangers under our credit facilities to receive waivers covering breaches of any financial covenants, including those relating to vessel value and minimum net worth, during 2008 and 2009, however, certain of these agreements have not yet been reduced to writing and remain subject to the requisite approval of the applicable lending syndicate.

4. Dividend payments: We are announcing that we are suspending dividend payments until such time as the board of directors, in consultation with management, determines that economic conditions allow cash dividend payments to be resumed.

We firmly believe that under these circumstances of revised world growth and world demand the most prudent policy, alongside the above mentioned measures, is to suspend our dividend payments in order to position the Company to take advantage of its strong cash flow and further strengthen its balance sheet. The Board believes this decision will enhance the Company's financial flexibility, by retaining more than \$100 million in cash flow per annum that would have, at our prior dividend payment level, otherwise been devoted to dividends.

The decision of the Board also enjoys my strong support, as majority-owner, President and CEO of Danaos. Of the Company's 54.6 million outstanding shares of common stock, more than 80% are beneficially owned by officers or directors of the Company and I believe that the retention of such significant cash sends a strong message to the marketplace and other Danaos shareholders that management and the Board remain committed to delivering flexible and sound business decisions, as well as to a total return strategy, in a challenging economic environment.

Our consistent strategy at Danaos has been to maximize total returns to shareholders by, thus far, paying substantial dividends and pursuing highly accretive growth. The latest market turn calls for a modified approach, which we believe is appropriate for the goals we have set for Danaos.

**Three months ended December 31, 2008 compared to the three months ended December 31, 2007**

During the quarter ended December 31, 2008, Danaos had an average of 38.7 containerships as opposed to 36.1 containerships for the same period of 2007. During the fourth quarter, we acquired one vessel and we sold two vessels. Our fleet utilization was 98.5% in the fourth quarter of 2008.

Given the sale of our entire dry bulk fleet, completed 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 on a comparable basis remained stable at \$25.5 million or \$0.47 per share for each of the fourth quarter of 2008 and 2007, adjusted for a non-recurring insurance expense of \$1.6 million related to prior years and recorded in the fourth quarter of 2008 as well as a non-recurring gain of \$19.1 million in the fourth quarter of 2007 in relation to leasing arrangements. Our net income on a reported basis was \$23.8 million or \$0.44 per share for the fourth quarter of 2008, compared to \$44.6 million or \$0.82 per share for the fourth quarter of 2007, which represents a decrease of 46.6% or \$20.8 million.

**Operating Revenue**

Operating revenue increased 10.4%, or \$7.4 million, to \$78.7 million in the quarter ended December 31, 2008, from \$71.3 million in the quarter ended December 31, 2007. The increase was primarily attributable to the addition of six vessels to our fleet, as follows:

Vessel Name	Vessel Size (TEU)	Date Delivered
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
Zim Kingston	4,253	November 3, 2008

These additions to our fleet contributed revenues of \$9.9 million during the three months ended December 31, 2008. In addition, two 2,200 TEU containerships, the Hyundai Future and the Hyundai Sprider, a 4,300 TEU containership, the YM Singapore and a 4,253 TEU containership the YM Vancouver, which were added to our fleet on October 2, 2007, October 15, 2007, October 9, 2007 and November 27, 2007, respectively, contributed incremental revenues of \$1.8 million during the three months ended December 31, 2008 compared to the three months ended December 31, 2007. In addition, the Company sold five 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
Asia Express	3,101	October 26, 2008
Sederberg	3,101	December 10, 2008

These vessel sales reduced operating revenue by \$3.9 million for the three months ended December 31, 2008 compared to the contribution by such vessels to operating revenue in the three months ended December 31, 2007.

We also had a further decrease in revenues of \$0.4 million attributable to more off-hire days, which was partially offset by the re-chartering of certain vessels at higher charter rates during the three months ended December 31, 2008 compared to the three months ended December 31, 2007.

#### **Vessel Operating Expenses**

Vessel operating expenses increased 26.8%, or \$5.1 million, to \$24.1 million in the quarter ended December 31, 2008, from \$19.0 million in the quarter ended December 31, 2007. The increase was mainly due to the increase in the average number of our vessels in our fleet under time charter during the quarter ended December 31, 2008 compared to the quarter ended December 31, 2007.

#### **Depreciation & Amortization**

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

##### *Depreciation*

Depreciation expense increased 20.9%, or \$2.4 million, to \$13.9 million in the quarter ended December 31, 2008, from \$11.5 million in the quarter ended December 31, 2007. The increase in depreciation expense was due to the increased average number of vessels in our fleet during the quarter ended December 31, 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 17.6%, or \$0.3 million, to \$2.0 million in the quarter ended December 31, 2008, from \$1.7 million in the quarter ended December 31, 2007. The increase reflects higher drydocking costs incurred, which were subject to amortization during the three months ended December 31, 2008 as compared to the same period of 2007.

#### **General and Administrative Expenses**

General and administrative expenses increased 11.1%, or \$0.3 million, to \$3.0 million in the quarter ended December 31, 2008, from \$2.7 million in the same quarter of 2007. The increase was primarily a result of increased fees of \$0.2 million paid to our Manager in the fourth quarter of 2008 compared to the same period of 2007 due to the increase in the average number of our vessels in our fleet.

#### **Gain / (loss) on sale of vessels**

The gain on sale of vessels for the three months ended December 31, 2008, reflects the sale of the Asia Express and the Sederberg resulting in an aggregate net gain of \$2.0 million.

#### **Other Operating Expenses**

Other Operating Expenses include Voyage Expenses

##### *Voyage Expenses*

Voyage expenses decreased 23.8% or \$0.5 million, to \$1.6 million in the quarter ended December 31, 2008, from \$2.1 million for the quarter ended December 31, 2007.

#### **Interest Expense and Interest Income**

Interest expense increased 69.3%, or \$5.2 million, to \$12.7 million in the quarter ended December 31, 2008, from \$7.5 million in the quarter ended December 31, 2007. The change in interest expense was due to the increase in our average debt by \$833.3 million to \$2,077.6 million in the quarter ended December 31, 2008, from \$1,244.3 million in the quarter ended December 31, 2007. The financing of our extensive new-building program resulted in interest capitalization, rather than

such interest being recognized as an expense, of \$10.3 million for the quarter ended December 31, 2008 compared to \$9.8 million of capitalized interest for the quarter ended December 31, 2007.

Interest income increased by \$1.5 million, to \$2.7 million in the quarter ended December 31, 2008, from \$1.2 million in the quarter ended December 31, 2007. The increase in interest income is attributed to higher average cash deposits during the three months ended December 31, 2008 as opposed to the three months ended December 31, 2007, partially offset by lower interest rates.

The restricted cash is attributed to cash raised through our revolving credit facilities designated to finance certain of our new buildings and is gradually utilized to fund progress payments of these new buildings up to their deliveries through the second quarter of 2010.

#### **Other income/(expenses), net**

Other income/(expenses), net, increased by \$(20.9) million, to \$(1.8) million in the quarter ended December 31, 2008, from \$19.1 million in the same quarter of 2007. The change in other income/(expenses) is mainly attributed to a non-recurring gain of \$19.1 million related to our leasing arrangements of the CSCL Europe, the MSC Baltic, the Maersk Derby, the Maersk Deva, the CSCL Pusan and the CSCL Le Havre and their subsequent restructuring entered into in the fourth quarter of 2007. In addition, during the fourth quarter of 2008, we recorded a non-recurring expense of \$1.6 million in relation to insurance cost for the years of 2006 and 2007, which have been recorded in 2008, reflecting the contribution of our insurer to the exposure of the International Group of Protection & Indemnity ("P&I") Clubs.

#### **EBITDA**

EBITDA on a comparable basis increased by \$6.3 million, or 14.0%, to \$51.3 million in the quarter ended December 31, 2008, from \$45.0 million in the quarter ended December 31, 2007, adjusted for a non-recurring insurance expense of \$1.6 million for prior years recorded in the fourth quarter of 2008 and a non-recurring gain of \$19.1 million recorded in the fourth quarter of 2007 in relation to leasing arrangements. EBITDA on a reported basis decreased by \$14.5 million, or 22.6%, to \$49.6 million in the quarter ended December 31, 2008, from \$64.1 million in the quarter ended December 31, 2007. A table reconciling EBITDA to net income can be found at the end of this earnings release.

#### **Twelve months ended December 31, 2008 compared to the twelve months ended December 31, 2007**

During the twelve months ended December 31, 2008, Danaos had an average of 37.7 containerships as opposed to 32.3 containerships for the same period of 2007. During the twelve months of 2008, we acquired six vessels and we sold five vessels. Our fleet utilization for the full year was 97.6%.

Given the sale of our entire dry bulk fleet, completed 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 on a comparable basis was \$118.7 million or \$2.18 per share for the twelve months ended December 31, 2008 compared to \$107.2 million or \$1.96 per share for the twelve months ended December 31, 2007, adjusted for a non-recurring insurance expense of \$1.6 million for prior years recorded in 2008 and a non-recurring gain of \$15.9 million in the twelve months of 2007 in relation to leasing arrangements. This represents an increase in comparable net income of 10.7% or \$11.5 million. Our net income on a reported basis was \$117.1 million or \$2.15 per share for the twelve months ended December 31, 2008 compared to \$123.1 million or \$2.26 per share for the twelve months ended December 31, 2007, a decrease of 4.9% or \$6.0 million. For the first three quarters, we paid a cumulative dividend of \$76.1 million. We have suspended dividend payments until the board of directors, in consultation with management, determines that economic conditions allow dividend payments to be resumed.

#### **Operating Revenue**

Operating revenue increased 15.5%, or \$40.1 million, to \$298.9 million in the twelve months ended December 31, 2008, from \$258.8 million in the twelve months ended December 31, 2007. The increase was primarily attributed to the addition of six vessels to our fleet, as follows:

Vessel Name	Vessel Size (TEU)	Date Delivered
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
Zim Kingston	4,253	November 3, 2008

These additions to our fleet contributed revenues of \$22.0 million during the twelve months ended December 31, 2008. In addition, two 4,300 TEU containerships, the YM Colombo and the YM Singapore, five 2,200 TEU containerships, the Hyundai Vladivostok, the Hyundai Advance, the Hyundai Stride, Hyundai Future and Hyundai Sprinter and two 4,253 TEU containerships, the YM Seattle and the YM Vancouver, which were added to our fleet on March 12, 2007, on October 9, 2007, on July 23, 2007, on August 20, 2007, on September 5, 2007, October 2, 2007, October 15, 2007, September 10, 2007 and November 27, 2007, respectively, contributed incremental revenues of \$44.5 million during the twelve months ended December 31, 2008 compared to the twelve months ended December 31, 2007. In addition since January 1, 2007, the Company sold eight 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
Asia Express	3,101	October 26, 2008
Sederberg	3,101	December 10, 2008

These sales reduced operating revenue by \$23.6 million for the twelve months ended December 31, 2008 compared to the contribution by such vessels to operating revenue in the prior year.

We also had a further decrease in revenues of \$2.8 million attributable to more off-hire days and re-chartering of certain vessels at lower charter rates during the twelve months ended December 31, 2008 compared to the twelve months ended December 31, 2007.

### **Vessel Operating Expenses**

Our daily operating expenses per vessel between the twelve month periods of 2007 and 2008 increased by 4.0%. The increase was mainly due to higher crew wages and total repair & maintenance costs.

Vessel operating expenses increased 35.8% or \$23.5 million, to \$89.2 million in the twelve months ended December 31, 2008, from \$65.7 million in the twelve months ended December 31, 2007. The increase was mainly due to the increase in the average number of our vessels in our fleet under time charter during the twelve months ended December 31, 2008 compared to the twelve months ended December 31, 2007.

### **Depreciation & Amortization**

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

#### *Depreciation*

Depreciation expense increased 25.6%, or \$10.4 million, to \$51.0 million in the twelve months ended December 31, 2008, from \$40.6 million in the twelve months ended December 31, 2007.

The increase in depreciation expense was due to the increased average number of vessels in our fleet during the twelve months ended December 31, 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 19.7%, or \$1.2 million, to \$7.3 million in the twelve months ended December 31, 2008, from \$6.1 million in the twelve months ended December 31, 2007. The increase reflects higher dry-docking costs incurred, which were subject to amortization during the twelve months ended December 31, 2008 as compared to the same period of 2007.

**General and Administrative Expenses**

General and administrative expenses increased 16.0%, or \$1.6 million, to \$11.6 million in the twelve months ended December 31, 2008, from \$10.0 million in the same period of 2007. The increase was primarily a result of increased fees of \$1.2 million paid to our Manager in the twelve months ended December 31, 2008 compared to the same period of 2007, attributed to the increase in the average number of our vessels in our fleet.

**Gain / (loss) on sale of vessels**

The gain on sale of vessels for the twelve months ended December 31, 2008, reflects the sale of the APL Belgium, the Winterberg, the Maersk Constantia, the Asia Express and the Sederberg for \$44.5 million, \$11.2 million, \$15.8 million, \$10.2 million and \$4.9 million, respectively, resulting in an aggregate net gain of \$16.9 million.

**Other Operating Expenses**

Other Operating Expenses include Voyage Expenses

*Voyage Expenses*

Voyage expenses remained stable at \$7.5 million in the twelve months ended December 31, 2008 and December 31, 2007.

**Interest Expense and Interest Income**

Interest expense increased 72.1%, or \$15.8 million, to \$37.7 million in the twelve months ended December 31, 2008, from \$21.9 million in the twelve months ended December 31, 2007. The change in interest expense was due to the increase in our average debt by \$882.8 million to \$1,715.4 million in the twelve months ended December 31, 2008 from \$832.6 million in the twelve months ended December 31, 2007. Our extensive new-building program resulted in interest capitalization, rather than such interest being recognized as an expense, of \$36.9 million for the twelve months ended December 31, 2008 as opposed to \$22.9 million of capitalized interest for the twelve months ended December 31, 2007.

Interest income increased 32.7%, or \$1.6 million, to \$6.5 million in the twelve months ended December 31, 2008, from \$4.9 million in the twelve months ended December 31, 2007. The increase in interest income is mainly attributed to higher average cash deposits, partially offset by lower interest rates, during the twelve months ended December 31, 2008 as opposed to the twelve months ended December 31, 2007.

The restricted cash is attributed to cash raised through our revolving credit facilities designated to finance certain of our new buildings and is gradually utilized to fund progress payments of these new buildings up to their deliveries through the second quarter of 2010.

**Other income/(expenses), net**

Other income/(expenses), net, increased by \$(15.7) million, to \$(1.1) million in the twelve months ended December 31, 2008, from \$14.6 million in the same period of 2007. The change in other income/(expenses) is mainly attributed to a non-recurring net gain of \$15.9 million related to our leasing arrangements of the CSCL Europe, the MSC Baltic, the Maersk Derby, the Maersk Deva, the CSCL Pusan and the CSCL Le Havre and their subsequent restructuring entered into in 2007. In addition, during the fourth quarter of 2008 we recorded a non-recurring expense of \$1.6 million in relation to insurance expenses for the years of 2006 and 2007, which have been recorded in 2008 reflecting the contribution of our insurer to the exposure of the International Group of P&I Clubs.

**EBITDA**

EBITDA on a comparable basis increased by \$37.2 million, or 21.8%, to \$208.2 million in the twelve months ended December 31, 2008, from \$171.0 million in the twelve months ended December 31, 2007, adjusted for a non-recurring insurance expense of \$1.6 million for the years of 2006 and 2007 recorded in 2008 and a non-recurring net gain of \$15.9 million in relation to leasing arrangements and their subsequent restructuring entered into in 2007. EBITDA on a reported basis increased by \$19.7 million, or 10.5%, to \$206.6 million in the twelve months ended December 31, 2008, from \$186.9 million in the twelve months ended December 31, 2007. A table reconciling EBITDA to net income can be found at the end of this earnings release.

**Dividend Payment**

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, paid on November 19, 2008. We have suspended further dividend payments until the board of directors, in consultation with management, determines that economic conditions allow dividend payments to be resumed.

**Recent News**

On February 2, 2009, we entered into a credit facility with Deutsche Schiffsbank, Credit Suisse, and Emporiki Bank of \$299.0 million in relation to pre and post-delivery financing for five new-building vessels, the HN 1698, the HN N-220, the HN N-223, the HN N-215 and the HN Z0001, which are currently under construction and are scheduled to be gradually delivered to us from the first quarter of 2009 until the end of the second quarter of 2010. The interest rate on the credit facility will be LIBOR plus margin.

Based on the unaudited financial statements for 2008 and valuations of our fleet as of December 2008 that we received from two independent ship brokers, we determined that we were in breach of covenants under certain of our credit facilities. Substantially all of our long-term debt continues to be classified as non-current as of December 31, 2008 because our debt covenant violations as of December 31, 2008 have been (or are expected to be) waived by our lenders and the relevant covenants have been (or are expected to be) amended to levels that we expect to be able to comply with in future periods. To the extent that we are unable to finalize formalization of these waivers and amendments prior to the issuance of our audited financial statements, any long-term debt for which we have been unable to secure waivers and, where applicable, amended covenants, will be required to be classified as current, reflecting our lenders' ability to call that debt at any time at their option.

On October 24, 2008, the Company's Board of Directors approved a share repurchase program for the repurchase, from time to time, of up to 1,000,000 shares of the Company's common stock (par value \$0.01). As at December 31, 2008, the Company had re-acquired 15,000 shares for an aggregate purchase price of \$88,156, which has been reported as treasury stock.

On January 2, 2009, the Company took delivery of the new-building 4,253 TEU vessel, the Zim Monaco. The vessel has been deployed on a 12-year time charter with one of the world's major liner companies.

**Conference Call and Webcast**

On Thursday, March 12 at 9:00 A.M. EDT, 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.

In case of any problems with the above numbers, please dial 1 866 223 0615 (US Toll Free Dial In). 0800 694 1503 (UK Toll Free Dial In) or +44 (0)1452 586 513 (Standard International Dial In). Please quote "Danaos" to the operator. A telephonic replay of the conference call will be available until March 19, 2009 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](http://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 39 containerships aggregating 157,427 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 30 additional containerships aggregating 226,456 TEU with scheduled deliveries up to 2011. The company's shares trade on the New York Stock Exchange under the symbol "DAC".

#### **Forward-Looking Statements**

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, charter counterparty performance, 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, ability to obtain financing and comply with covenants in our financing arrangements, 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](http://www.danaos.com)

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**Appendix**

**Fleet Utilization**

Danaos had 52 off-hire days in total in the fourth 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.

	<b>First Quarter 2008</b>	<b>Second Quarter 2008</b>	<b>Third Quarter 2008</b>	<b>Fourth Quarter 2008</b>	<b>Total</b>
<b>Vessel Utilization</b>	<b>No. of Days</b>	<b>No. of Days</b>	<b>No. of Days</b>	<b>No. of Days</b>	<b>No. of Days</b>
Ownership Days	3,301	3,417	3,502	3,560	<b>13,780</b>
Less Off-hire Days:					
Scheduled Off-hire Days	(159)	(78)	(40)	(29)	<b>(306)</b>
Other Off-hire Days	(1)	—	(2)	(23)	<b>(26)</b>
<b>Operating Days</b>	<b>3,141</b>	<b>3,339</b>	<b>3,460</b>	<b>3,508</b>	<b>13,448</b>
<b>Vessel Utilization</b>	<b>95.2%</b>	<b>97.7%</b>	<b>98.8%</b>	<b>98.5%</b>	<b>97.6%</b>
<b>Revenue - Impact of Off-hire (in '000s of US Dollars)</b>					
100% Fleet Utilization	\$ 70,689	\$ 74,482	\$ 77,303	\$ 79,866	<b>\$ 302,340</b>
Less Off-hire Days:					
Scheduled Off-hire Days	(796)	(573)	(807)	(563)	<b>(2,739)</b>
Other Off-hire Days	(16)	—	(80)	(600)	<b>(696)</b>
<b>Actual Revenue Earned</b>	<b>\$ 69,877</b>	<b>\$ 73,909</b>	<b>\$ 76,416</b>	<b>\$ 78,703</b>	<b>\$ 298,905</b>

## Fleet List

The following table describes in detail our fleet deployment profile as of March 11, 2009.

<u>Vessel Name</u>	<u>Vessel Size (TEU)</u>	<u>Year Built</u>	<u>Expiration of Charter<sup>(1)</sup></u>
<b>Containerships</b>			
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 <sup>(5)</sup>	4,814	1991	September 2011
Maersk Messologi	4,814	1991	September 2011
Maersk Mytilini	4,814	1991	September 2011
MOL Affinity <sup>(3)</sup>	4,651	1992	March 2011
Hyundai Duke	4,651	1992	February 2011
APL Confidence <sup>(4)</sup>	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
ZIM Kingston	4,253	2008	September 2020
ZIM Monaco	4,253	2009	November 2020
Al Rayyan	3,908	1989	January 2011
YM Yantian	3,908	1989	July 2011
YM Milano	3,129	1988	May 2011
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 <sup>(2)</sup>	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.

<u>Vessel Name</u>	<u>Vessel Size (TEU)</u>	<u>Expected Delivery</u>	<u>Time Charter Term</u>
ZIM Dalian	4,253	March 2009 <sup>(2)</sup>	12 years
HN S4001 <sup>(1)</sup>	6,500	April 2009	12 years
HN 1699	4,253	June 2009	12 years
HN S4002 <sup>(1)</sup>	6,500	June 2009	12 years
HN S4003 <sup>(1)</sup>	6,500	August 2009	12 years
HN S4004 <sup>(1)</sup>	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 <sup>(1)</sup>	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.  
(2) We expect to take delivery of the vessel on March 31, 2009.

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

	Three months ended December 31, <u>2008</u>	Three months ended December 31, <u>2007</u>	Twelve months ended December 31, <u>2008</u>	Twelve months ended December 31, <u>2007</u>
<b>OPERATING REVENUES</b>	<b>\$78,703</b>	<b>\$71,335</b>	<b>\$298,905</b>	<b>\$258,845</b>
<b>OPERATING EXPENSES</b>				
Vessel operating expenses	(24,111)	(19,045)	(89,246)	(65,676)
Depreciation & amortization	(15,842)	(13,220)	(58,326)	(46,735)
General & administrative	(3,003)	(2,695)	(11,617)	(9,955)
Gain / (loss) on sale of vessels	1,973	—	16,901	(286)
Other operating expenses	(1,558)	(2,106)	(7,657)	(7,499)
<b>Income From Operations</b>	<b>36,162</b>	<b>34,269</b>	<b>148,960</b>	<b>128,694</b>
<b>OTHER EARNINGS (EXPENSES)</b>				
Interest income	2,683	1,184	6,544	4,861
Interest expense	(12,651)	(7,458)	(37,734)	(21,929)
Other finance cost, net	(399)	(1,193)	(2,047)	(2,779)
Other income / (expenses), net	(1,800)	19,087	(1,060)	14,560
Gain / (loss) on derivatives	(165)	(1,239)	2,397	(309)
<b>Total Other Income (Expenses), net</b>	<b>(12,332)</b>	<b>10,381</b>	<b>(31,900)</b>	<b>(5,596)</b>
<b>Net income from continuing operations</b>	<b>\$23,830</b>	<b>\$44,650</b>	<b>\$117,060</b>	<b>\$123,098</b>
<b>Net (loss) income from discontinued operations</b>	<b>(262)</b>	<b>(8)</b>	<b>(1,822)</b>	<b>92,166</b>
<b>Net Income</b>	<b>\$23,568</b>	<b>\$44,642</b>	<b>\$115,238</b>	<b>\$215,264</b>
<b>EARNINGS PER SHARE (from continuing operations)</b>				
Basic and diluted net income per share	\$0.44	\$0.82	\$2.15	\$2.26
<b>EARNINGS PER SHARE</b>				
Basic and diluted net income per share	\$0.43	\$0.82	\$2.11	\$3.95
Basic and diluted weighted average number of shares (in thousands of shares)	54,556	54,558	54,557	54,558

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

	<b>As of December 31, 2008</b>	<b>As of December 31, 2007</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$120,720	\$63,495
Restricted cash, current portion	190,951	46,179
Accounts receivable, net	1,119	4,321
Other current assets	23,954	18,993
	336,744	132,988
<b>NON-CURRENT ASSETS</b>		
Fixed assets, net	1,339,645	1,182,505
Advances for vessel acquisitions and vessels under construction	1,067,825	745,534
Restricted cash, net of current portion	60,591	—
Deferred charges, net	16,098	10,431
Fair value of financial instruments	6,691	—
Other non-current assets	870	333
	2,491,720	1,938,803
<b>TOTAL ASSETS</b>	<b>2,828,464</b>	<b>2,071,791</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Long-term debt, current portion	32,219	25,619
Accounts payable, accrued liabilities & other current liabilities	31,779	24,092
Fair value of financial instruments, current portion	48,217	1,402
	112,215	51,113
<b>LONG-TERM LIABILITIES</b>		
Long-term debt, net of current portion	2,075,459	1,330,927
Fair value of financial instruments, net of current portion	414,668	56,537
Other long-term liabilities	7,088	8,310
	2,497,215	1,395,774
<b>STOCKHOLDERS' EQUITY</b>		
Common stock	546	546
Additional paid-in capital	288,615	288,530
Treasury stock	(88)	—
Accumulated other comprehensive loss	(474,514)	(54,886)
Retained earnings	404,475	390,714
	219,034	624,904
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$2,828,464</b>	<b>\$2,071,791</b>

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

	Three months ended December 31,	Three months ended December 31,	Twelve months ended December 31,	Twelve months ended December 31,
	2008	2007	2008	2007
<b>Cash Flows provided by / (used in):</b>				
<b>Operating Activities:</b>				
Net income	\$23,568	\$44,642	\$115,238	\$215,264
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>				
Depreciation	13,857	11,545	51,025	41,093
Amortization of deferred charges	2,069	1,716	7,521	6,380
Written off amount of deferred charges	—	177	309	621
Stock based compensation	38	—	85	—
Payments for drydocking / special survey	(1,860)	(1,521)	(10,625)	(7,592)
Change in fair value of debt and financial instruments	(2,747)	1,239	(15,332)	193
(Gain) / Loss on sale of vessels	(1,973)	—	(16,901)	(88,349)
Accounts receivable	1,385	(3,048)	3,202	(2,151)
Other assets, current and non-current	(2,829)	2,307	(5,498)	(7,079)
Accounts payable and accrued liabilities	3,276	4,760	7,944	2,642
Other liabilities, current and non-current	(511)	(17,934)	(1,479)	(2,752)
<b>Cash provided by Operating Activities</b>	<b>34,273</b>	<b>43,883</b>	<b>135,489</b>	<b>158,270</b>
<b>Investing Activities:</b>				
Vessel acquisitions including advances	19	(111,501)	(76,506)	(266,608)
Vessels under construction	(121,324)	(376,514)	(518,512)	(696,752)
Proceeds from sale of vessels	13,929	—	83,032	275,768
<b>Cash (used in) / provided by Investing Activities</b>	<b>(107,376)</b>	<b>(488,015)</b>	<b>(511,986)</b>	<b>(687,592)</b>
<b>Financing Activities:</b>				
Debt draw downs	89,797	473,000	805,010	1,014,177
Debt repayment	(6,893)	(3,593)	(59,919)	(322,437)
Dividends paid	(25,369)	(25,369)	(101,477)	(97,385)
Treasury stock	(88)	—	(88)	—
Deferred costs	(1,598)	(57)	(4,441)	(927)
Decrease/(increase) in restricted cash	71,479	(11,876)	(205,363)	(43,686)
<b>Cash provided by / (used in) Financing Activities</b>	<b>127,328</b>	<b>432,105</b>	<b>433,722</b>	<b>549,742</b>
Net change in cash and cash equivalents	54,225	(12,027)	57,225	20,420
Cash and cash equivalents, beginning of period	66,495	75,522	63,495	43,075
<b>Cash and cash equivalents, end of period</b>	<b>\$120,720</b>	<b>\$63,495</b>	<b>\$120,720</b>	<b>\$63,495</b>

Reconciliation of Net Income to EBITDA (Continuing Operations) Unaudited	Three months ended December 31,	Three months ended December 31,	Twelve months ended December 31,	Twelve months ended December 31,
	2008	2007	2008	2007
	Net income	\$23,830	\$44,650	\$117,060
Depreciation	13,857	11,545	51,025	40,622
Amortization of deferred charges	1,985	1,675	7,301	6,113
Interest income	(2,683)	(1,184)	(6,544)	(4,861)
Interest expense	12,651	7,458	37,734	21,929
<b>EBITDA <sup>(1)</sup> from continuing operations</b>	<b>\$49,640</b>	<b>\$64,144</b>	<b>\$206,576</b>	<b>\$186,901</b>
EBITDA <sup>(1)</sup> from discontinued operations	(262)	(7)	(1,822)	93,113
<b>EBITDA <sup>(1)</sup></b>	<b>\$49,378</b>	<b>\$64,137</b>	<b>\$204,754</b>	<b>\$280,014</b>

- (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.

**Net Income and EBITDA on a comparable basis - (Continuing operations)**  
Unaudited

	Three months ended December 31,	Three months ended December 31,	Twelve months ended December 31,	Twelve months ended December 31,
	2008	2007	2008	2007
	<b>Net Income</b>	<b>\$23,830</b>	<b>\$44,650</b>	<b>\$117,060</b>
Prior years insurance costs <sup>(2)</sup>	1,636	—	1,636	—
Lease arrangements gain <sup>(3)</sup>	—	(19,140)	—	(15,905)
<b>Net Income on a comparable basis</b>	<b>\$25,466</b>	<b>\$25,510</b>	<b>\$118,696</b>	<b>\$107,193</b>
<b>Earnings Per Share on a comparable basis</b>	<b>0.47</b>	<b>0.47</b>	<b>2.18</b>	<b>1.96</b>
<b>EBITDA <sup>(1)</sup></b>	<b>\$49,640</b>	<b>\$64,144</b>	<b>\$206,576</b>	<b>\$186,901</b>
Prior years insurance costs <sup>(2)</sup>	1,636	—	1,636	—
Lease arrangements gain <sup>(3)</sup>	—	(19,140)	—	(15,905)
<b>EBITDA <sup>(1)</sup> on a comparable basis</b>	<b>\$51,276</b>	<b>\$45,004</b>	<b>\$208,212</b>	<b>\$170,996</b>

- (2) Adjustment represents non-recurring insurance costs for the years of 2006 and 2007, which have been recorded in 2008 in "Other income/(expense), net" in relation to the contribution of one of our insurers to the exposure of the International Group of P&I Clubs.

- (3) Adjustment represents a non-recurring net gain of \$19.1 million and \$15.9 million for the fourth quarter and the full year ended December 31, 2007, in relation to the leasing arrangements for the CSCL Europe, the MSC Baltic, the Maersk Derby, the Maersk Deva, the CSCL Pusan and the CSCL Le Havre and their subsequent restructuring entered into in 2007, recorded in "Other income/(expense), net".

Note: Items to consider for comparability include gains and charges. Gains positively impacting net income are reflected as deductions to reported net income. Charges negatively impacting net income are reflected as increases to reported net income.

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that certain non-GAAP financial measures used in managing the business may provide users of this financial information additional meaningful comparisons between current results and results in prior operating periods. Management believes that these non-GAAP financial measures can provide additional meaningful reflection of underlying trends of the business because they provide a comparison of historical information that excludes certain items that impact the overall comparability. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. See the Tables above for supplemental financial data and corresponding reconciliations to GAAP financial measures for the years ended December 31, 2008 and December 31, 2007. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP.