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DANAOS CORPORATION

Danaos Corporation Reports First Quarter Results for the Period Ended March 31, 2010.

Athens, Greece, June 3, 2010 – Danaos Corporation ("Danaos") (NYSE: DAC), a leading international owner of containerships, today reported unaudited results for the period ended March 31, 2010.

Highlights for the First Quarter Ended March 31, 2010:

- **Adjusted net income[1] of $12.3 million or $0.23 per share for the quarter ended March 31, 2010.**
- **Operating revenues of $79.7 million for the quarter ended March 31, 2010.**
- **Adjusted EBITDA[1] of $38.6 million for the quarter ended March 31, 2010.**

Three Months Ended March 31, 2010
Financial Summary
(Expressed in thousands of United States dollars, except per share amounts):

	Three months ended March 31, 2010	Three months ended March 31, 2009
	(unaudited)	(unaudited)
Net (loss) / income	$(101,135)	$20,045
Adjusted net income	$12,278	$19,464
(Losses) / earnings per share	$(1.85)	$0.37
Adjusted earnings per share	$0.23	$0.36

Danaos' CEO Dr. John Coustas commented:

The first quarter of 2010 signaled the recovery of the box trades. The bottom clearly appears to be behind us and the increased demand combined with a continuing restraint from new vessel ordering is placing the seeds for a sustained recovery in the sector. Most liner companies have reported positive results and therefore there is an end to the significant cash flow drain of 2009. Increased demand combined with slow steaming have swept idle larger tonnage in excess of 4,000 TEU and demand is now spilling over to the 3,000 TEU and the smaller sector.

Our financial results for the period, adjusted for non-cash changes in fair value of derivatives, impairment losses and a gain on sale of vessel, was $12.3 million. Operating revenues were up by 6% compared to the same quarter of 2009. At the same time, our efforts resulted in a reduction in daily operating costs for the vessels.

During this period, we have continued to take delivery of our newbuilding vessels and up to now we have taken delivery of three 6,500 TEU and one 3,400 TEU vessels, two on 12 years and one on 10 year time charters, as well as one on an 18 year bareboat charter. We have further secured employment for up to a year for one 4,250 TEU, three 3,000 TEU and a 2,100 TEU vessels. We have also sold for demolition our 32 year old MSC Eagle at a $1.9 million net gain.

We entered into an agreement with Hanjin Heavy Industries & Construction Co. Ltd. to cancel three 6,500 TEU newbuilding containerships, the HN N-216, the HN N-217 and the HN N-218, initially expected to be delivered in the first half of 2012. The agreement has been reached with the consent of the charterer of these vessels. The cancellation forms part of an overall plan to address our total capex funding needs.

We believe we have made substantial progress in our negotiations with our existing commercial lenders, the credit export agencies and our shipyards, and the improved industry outlook has helped to that effect. Following an extensive process, we have reached an overall detailed agreement that will secure funding for all of our new buildings on order, addressing pre-delivery and post delivery financing, as well as the systematic reduction of our leverage following the delivery of our new building fleet.

[1] Adjusted net income, adjusted earnings per share and adjusted EBITDA are non-GAAP measures, adjusted for non-cash changes in fair value of derivatives, impairment losses and gain on sale of vessels. Refer to page 14 for reconciliation of net (loss) / income to adjusted net income and net (loss) / income to adjusted EBITDA.

We are now awaiting formal commitments from our banking group. This process should lift the uncertainties regarding our capital expenditure funding and set the ground for significantly growing our company in a steadily improving industry environment.

Three months ended March 31, 2010 compared to the three months ended March 31, 2009

During the quarter ended March 31, 2010, Danaos had an average of 41.5 containerships compared to 39.0 containerships for the same period in 2009. Our fleet utilization was 99.7% in the first quarter of 2010.

Our adjusted net income was $12.3 million, or $0.23 per share for the three months ended March 31, 2010 compared to $19.5 million, or $0.36 per share for the three months ended March 31, 2009, adjusted for non-cash changes in fair value of derivatives of a $43.8 million loss recorded in 2010 and $0.6 million gain recorded in 2009, impairment losses of $71.5 million in relation to the cancellation of three 6,500 TEU newbuilding containerships and a gain on sale of vessels of $1.9 million recorded in 2010. Adjusted net income for the first quarter of 2010 decreased by 36.9%, or $7.2 million compared to the three months ended March 31, 2009. This decrease is mainly attributable to increased realized losses on our interest rate swap contracts recorded in our Statement of Income during the three months ended March 31, 2010 compared to the same period of 2009, as well as increased interest expense due to higher average indebtedness in the first quarter of 2010 compared to the same period of 2009 and higher margins agreed in connection with previously obtained covenant waivers. On a non-adjusted basis our net loss was $101.1 million, or a loss of $1.85 per share for the first quarter of 2010, compared to net income of $20.0 million, or $0.37 per share for the first quarter of 2009. Refer to Adjusted Net Income reconciliation table in page 14.

Operating Revenue
Operating revenue increased 5.8%, or $4.4 million, to $79.7 million in the three months ended March 31, 2010, from $75.3 million in the three months ended March 31, 2009. The increase was primarily attributable to the addition of four vessels to our fleet, as follows:

Vessel Name	Vessel Size (TEU)	Date Delivered
Zim Dalian	4,253	March 31, 2009
Zim Luanda	4,253	June 26, 2009
CMA CGM Moliere	6,500	September 28, 2009
CMA CGM Musset	6,500	March 12, 2010

These additions to our fleet contributed revenues of $7.8 million during the three months ended March 31, 2010. These revenues were offset in part by the sale of one 1,704 TEU containership, the MSC Eagle, on January 22, 2010, that contributed revenues of $0.9 million for the three months ended March 31, 2009 compared to revenues of $0.1 million in the three months ended March 31, 2010.

We also had a further decrease in revenues of $2.6 million during the three months ended March 31, 2010, mainly attributable to the re-chartering of the Hanjin Montreal on March 1, 2009 and the Bunga Raya Tiga on April 28, 2009 at reduced daily charter rates, as well as reduced charter hire in relation to vessels laid up by our charterer representing operating expenses credited to the charterers, since such expenses were not being incurred during the lay-up period. This was partially offset by reduced scheduled off-hire days in the three months ended March 31, 2010 compared to the respective period of 2009.

Vessel Operating Expenses
Vessel operating expenses decreased 20.8%, or $4.6 million, to $17.5 million in the three months ended March 31, 2010, from $22.1 million in the three months ended March 31, 2009. The reduction is mainly attributed to reduced costs of certain vessels which were on lay-up for 614 days in the aggregate during the first quarter of 2010. Although the average number of vessels in our fleet increased during the three months ended March 31, 2010 compared to the same period of 2009, the average daily operating cost per vessel was reduced to $4,701 for the three months ended March 31, 2010, from $6,286 for the three months ended March 31, 2009. Excluding those vessels on lay-up, the average daily operating cost per vessel in our fleet was $5,627 for the three months ended March 31, 2010.

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

Depreciation
Depreciation expense increased 13.4%, or $1.9 million, to $16.1 million in the three months ended March 31, 2010, from $14.2 million in the three months ended March 31, 2009. The increase in depreciation expense was due to the increased average number of vessels in our fleet during the three months ended March 31, 2010 compared to the same period of 2009.

Amortization of Deferred Dry-docking and Special Survey Costs
Amortization of deferred dry-docking and special survey costs decreased 10.5%, or $0.2 million, to $1.7 million in the three months ended March 31, 2010, from $1.9 million in the three months ended March 31, 2009.

Impairment Losses
On March 31, 2010, we recorded impairment losses of $71.5 million in relation to advance payments to the shipyard and other related capital expenditures following our agreement with Hanjin Heavy Industries & Construction Co. Ltd. to cancel three 6,500 TEU newbuilding containerships, the HN N-216, the HN N-217 and the HN N-218, initially expected to be delivered in the first half of 2012.

General and Administrative Expenses
General and administrative expenses increased 74.2%, or $2.3 million, to $5.4 million in the three months ended March 31, 2010, from $3.1 million in the same period of 2009. The increase was mainly the result of legal and advisory fees of $1.8 million and increased fees of $0.5 million to our Manager in the first quarter of 2010 compared to the same period of 2009, due to the increase in the average number of our vessels in our fleet and an increase in the per day fee payable to our Manager since January 1, 2010.

On February 8, 2010, the Company signed an addendum to the management contract adjusting the management fees, effective January 1, 2010, to a fee of $675 per day for commercial, chartering and administrative services, a fee of $340 per vessel per day for vessels on bareboat charter and $675 per vessel per day for vessels on time charter. The incremental amount of the management fees above the previous rate level is payable by the Company, as accrued until the date of payment, at any time before the end of 2010.

Other Operating Expenses
Other Operating Expenses includes Voyage Expenses

Voyage Expenses
Voyage expenses decreased 20.0%, or $0.4 million, to $1.6 million in the three months ended March 31, 2010, from $2.0 million in the three months ended March 31, 2009. The decrease was the result of increased bunker costs of $0.4 million, attributed to five of our vessels for which drydocking was performed during the first quarter of 2009 compared to the first quarter of 2010. Our vessels are not otherwise subject to fuel costs, which are paid by our charterers.

Sale of vessels
On January 22, 2010, we sold the MSC Eagle, a containership built in 1978 with a capacity of 1,704 TEU. The sale consideration was $4.6 million. The Company realized a net gain on this sale of $1.9 million.

Interest Expense and Interest Income
Interest expense increased by 7.3%, or $0.6 million, to $8.8 million in the three months ended March 31, 2010, from $8.2 million in the three months ended March 31, 2009. The change in interest expense was due to the increase in our average debt by $240.6 million, to $2,342.3 million in the quarter ended March 31, 2010, from $2,101.7 million in the quarter ended March 31, 2009, which was partially offset by the decrease of LIBOR payable under our credit facilities in the three months ended March 31, 2010 compared to the three months ended March 31, 2009. The financing of our extensive newbuilding program resulted in interest capitalization, rather than such interest being recognized as an expense, of $7.2 million for the three months ended March 31, 2010 compared to $7.2 million of capitalized interest for the three months ended March 31, 2009.

Interest income decreased by $0.8 million, to $0.2 million in the three months ended March 31, 2010, from $1.0 million in the three months ended March 31, 2009. The decrease in interest income is attributable to lower average cash balances, as well as reduced interest rates to which our cash balances were subject during the three months ended March 31, 2010 compared to the three months ended March 31, 2009.

Other income/(expenses), net
Other income/(expenses), net decreased by $0.4 million, to nil in the three months ended March 31, 2010, from an expense of $0.4 million in the three months ended March 31, 2009. The decrease is attributable to $0.4 million of deferred fees written-off during the three months ended March 31, 2009.

Other finance costs, net
Other finance cost, net increased by $0.2 million, to $0.5 million in the three months ended March 31, 2010, from $0.3 million in the three months ended March 31, 2009.

Loss on fair value of derivatives
Loss on fair value of derivatives increased by $55.9 million, to a loss of $59.9 million in the three months ended March 31, 2010, from a loss of $4.0 million in the same period of 2009. The increase is mainly attributable to non-cash changes in fair value of interest rate swap losses of $43.8 million recorded in our Statement of Income in the first quarter of 2010, due to hedge accounting ineffectiveness, compared to a gain of $0.6 million in the first quarter of 2009. Furthermore, realized losses on interest rate swap hedges of $16.0 million recorded in our Statement of

Income during the three months ended March 31, 2010, were mainly attributed to reduced LIBOR payable on our credit facilities against LIBOR fixed through our interest rate swaps, compared to $4.5 million losses in the three months ended March 31, 2009. In addition, realized losses on cash flow hedges of $11.7 million and $6.3 million in the three months ended March 31, 2010 and 2009, respectively, were deferred in "Accumulated Other Comprehensive Loss", rather than such realized losses being recognized as an expense, and will be reclassified into earnings over the depreciable life of these vessels under construction, which are financed by loans for which their interest rate has been hedged by our interest rate swap contracts.

Adjusted EBITDA
Adjusted EBITDA decreased by $4.2 million, or 9.8%, to $38.6 million in the three months ended March 31, 2010, from $42.8 million in the three months ended March 31, 2009, adjusted for a gain on sale of vessel of $1.9 million recorded in the first quarter of 2010, impairment losses of $71.5 million recorded in the first quarter of 2010 and non-cash changes in fair value of derivatives of $43.8 million loss in the first quarter of 2010 compared to $0.6 million gain in the first quarter of 2009. Tables reconciling Adjusted EBITDA to Net (Loss) / Income can be found at the end of this earnings release.

Recent News
On May 17, 2010, the Company took delivery of the newbuilding 6,500 TEU vessel, the CMA CGM Nerval. The vessel has been deployed on a 12-year time charter with one of the world's major liner companies.

On May 19, 2010, the Company took delivery of the newbuilding 6,500 TEU vessel, the YM Mandate. The vessel has been deployed on an 18-year bareboat charter with one of the world's major liner companies.

On May 27, 2010, the Company took delivery of the newbuilding 3,400 TEU vessel, the Hanjin Buenos Aires. The vessel has been deployed on a 10-year time charter with one of the world's major liner companies.

We have reached an overall detailed agreement in principle with our current lenders that, if formally approved by their respective credit committees, forms the basis to secure funding for all of our newbuildings on order, addressing pre-delivery and post delivery financing, as well as the amortization schedules of our credit facilities following the delivery of our newbuilding fleet and waiver agreements for all of our covenant breaches under these facilities. Details of such an agreement will be disclosed following receipt of formal approvals from the banks. However, since we have not yet secured waivers from our banks, which would amend or waive breaches of our financial covenants in our credit facilities covering at least a prospective 12 month period, we have classified all of our long-term debt as current, reflecting our lenders' ability to call that debt at any time at their option.

Conference Call and Webcast

On Friday, June 4, 2010 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.

A telephonic replay of the conference call will be available until June 11, 2010 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 45 containerships aggregating 193,629 TEUs ranks Danaos among the largest containership charter owners in the world based on total TEU capacity. Danaos is one of the largest US listed containership companies based on fleet size. Furthermore, the company has a contracted fleet of 20 additional containerships aggregating 169,050 TEU with scheduled deliveries up to the second quarter of 2012. 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

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Appendix

Fleet Utilization

Danaos had 13 off-hire days in total in the first quarter of 2010. 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.

Vessel Utilization (No. of Days)	Second Quarter 2009	Third Quarter 2009	Fourth Quarter 2009	First Quarter 2010	Total
Ownership Days	3,645	3,775	3,864	3,732	**15,016**
Less Off-hire Days:					
Scheduled Off-hire Days	(27)	(29)	(1)	(12)	**(69)**
Other Off-hire Days	(4)	(8)	(7)	(1)	**(20)**
Operating Days	**3,614**	**3,738**	**3,856**	**3,719**	**14,927**
Vessel Utilization	**99.1%**	**99.0%**	**99.8%**	**99.7%**	**99.4%**

Revenue - Impact of Off-hire (in '000s of US Dollars)	Second Quarter 2009	Third Quarter 2009	Fourth Quarter 2009	First Quarter 2010	Total
100% Fleet Utilization	$79,229	$80,694	$85,532	$80,002	**$325,457**
Less Off-hire Days:					
Scheduled Off-hire Days	(6)	(721)	(42)	(328)	**(1,097)**
Other Off-hire Days	(95)	(181)	(151)	(15)	**(442)**
Actual Revenue Earned	**$79,128**	**$79,792**	**$85,339**	**$79,659**	**$323,918**

Fleet List

The following table describes in detail our fleet deployment profile as of June 3, 2010.

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
CSCL America[2]	8,468	2004	September 2016
CSCL Europe	8,468	2004	June 2016
CMA CGM Moliere[3]	6,500	2009	August 2021
CMA CGM Musset[3]	6,500	2010	February, 2022
CMA CGM Nerval[3]	6,500	2010	April, 2022
YM Mandate	6,500	2010	January, 2028
Marathonas [4]	4,814	1991	September 2011
Maersk Messologi	4,814	1991	September 2011
Maersk Mytilini	4,814	1991	September 2011
Hyundai Commodore [5]	4,651	1992	March 2011
Hyundai Duke	4,651	1992	February 2011
Hyundai Federal [6]	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
Bunga Raya Tiga [7]	4,253	2004	March 2011
Bunga Raya Tujuh [8]	4,253	2004	February 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
ZIM Dalian	4,253	2009	February 2021
ZIM Luanda	4,253	2009	May 2021
Al Rayyan	3,908	1989	January 2011
YM Yantian	3,908	1989	July 2011
Hanjin Buenos Aires	3,400	2010	March 2020
YM Milano	3,129	1988	May 2011
CMA CGM Lotus	3,098	1988	July 2010
CMA CGM Vanille	3,045	1986	July 2010
Henry[9]	3,039	1986	October 2010
CMA CGM Elbe	2,917	1991	June 2011
CMA CGM Kalamata	2,917	1991	June 2011
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
Hanjin Montreal [10]	2,130	1984	November 2010

(1) Earliest date charters could expire. Some charters include options to extend their term.
(2) On August 21, 2009, the *MSC Baltic* was renamed to *CSCL America* at the request of the charterer of this vessel.
(3) Vessel subject to charterer's option to purchase vessel after first eight years of time charter term for $78.0 million.
(4) On January 21, 2010, the *MSC Marathon* was renamed to *Marathonas* at the request of the charterer of this vessel.
(5) On April 2, 2009, the *MOL Affinity* was renamed to *Hyundai Commodore* at the request of the charterer of this vessel.
(6) On May 12, 2009, the *APL Confidence* was renamed to *Hyundai Federal* at the request of the charterer of this vessel.
(7) On April 29, 2009, the *Derby* was renamed to *Bunga Raya Tiga* at the request of the charterer of this vessel.

(8) On October 12, 2009, the Maersk *Deva* was renamed to *Bunga Raya Tujuh* at the request of the charterer of this vessel.
(9) On May 13, 2010, the *CMA CGM Passiflore* was renamed to *Henry* at the request of the charterer of this vessel.
(10) On May 14, 2009, the *Montreal Senator* was renamed to *Hanjin Montreal* 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[2]	Charter Term
HN S4004[1] [2]	6,500	2nd Quarter 2010	12 years
HN N-220[2]	3,400	3rd Quarter 2010	10 years
HN S4005[1] [2]	6,500	3rd Quarter 2010	12 years
HN N-215[2]	6,500	3rd Quarter 2010	18 years
HN N-221[2]	3,400	3rd Quarter 2010	10 years
HN N-222[2]	3,400	4th Quarter 2010	10 years
HN N-223[2]	3,400	4th Quarter 2010	10 years
HN Z00001[2]	8,530	1st Quarter 2011	12 years
Hull No S-461[2]	10,100	1st Quarter 2011	12 years
Hull No S-462[2]	10,100	1st Quarter 2011	12 years
HN Z00002[2]	8,530	2nd Quarter 2011	12 years
HN Z00003[2]	8,530	2nd Quarter 2011	12 years
HN Z00004[2]	8,530	2nd Quarter 2011	12 years
Hull No S-463[2]	10,100	2nd Quarter 2011	12 years
HN H 1022A[2]	8,530	3rd Quarter 2011	12 years
Hull No S-456[2]	12,600	1st Quarter 2012	12 years
Hull No S-457[2]	12,600	1st Quarter 2012	12 years
Hull No S-458[2]	12,600	2nd Quarter 2012	12 years
Hull No S-459[2]	12,600	2nd Quarter 2012	12 years
Hull No S-460[2]	12,600	2nd Quarter 2012	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) Delivery date represents most recent update regarding respective event, which in certain cases may change significantly as a result of further negotiations with shipyards.

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

	Three months ended March 31, 2010 (Unaudited)	Three months ended March 31, 2009 (Unaudited)
OPERATING REVENUES	**$79,659**	**$75,252**
OPERATING EXPENSES		
Vessel operating expenses	(17,546)	(22,063)
Depreciation & amortization	(17,801)	(16,136)
General & administrative	(5,372)	(3,120)
Gain on sale of vessels	1,916	—
Impairment losses	(71,509)	—
Other operating expenses	(1,586)	(2,004)
(Loss) / Income From Operations	**(32,239)**	**31,929**
OTHER INCOME (EXPENSES)		
Interest income	249	986
Interest expense	(8,776)	(8,162)
Other finance cost, net	(490)	(336)
Other income / (expenses), net	(13)	(419)
Loss on fair value of derivatives	(59,866)	(3,953)
Total Other Income (Expenses), net	**(68,896)**	**(11,884)**
Net (loss) / Income	**$(101,135)**	**$20,045**
EARNINGS PER SHARE		
Basic and diluted net (loss) / earnings per share	$(1.85)	$0.37
Basic and diluted weighted average number of common shares (in thousands of shares)	54,549	54,547

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

	As of March 31, 2010 (Unaudited)	As of December 31, 2009 (Unaudited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$104,685	$122,050
Restricted cash, current portion	195,659	154,078
Accounts receivable, net	4,546	3,732
Other current assets	20,505	20,644
	325,395	300,504
NON-CURRENT ASSETS		
Fixed assets, net	1,653,277	1,573,759
Advances for vessels under construction	1,120,542	1,194,088
Restricted cash, net of current portion	—	44,393
Deferred charges, net	18,692	20,583
Fair value of financial instruments	4,086	3,762
Other non-current assets	7,926	5,622
	2,804,523	2,842,207
TOTAL ASSETS	**3,129,918**	**3,142,711**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Long-term debt, current portion	2,369,646	2,331,678
Accounts payable, accrued liabilities & other current liabilities	102,244	86,264
Fair value of financial instruments, current portion	110,037	100,065
	2,581,927	2,518,007
LONG-TERM LIABILITIES		
Fair value of financial instruments, net of current portion	247,521	213,493
Other long-term liabilities	7,630	5,620
	255,151	219,113
STOCKHOLDERS' EQUITY		
Common stock	546	546
Additional paid-in capital	288,595	288,613
Treasury stock	(44)	(39)
Accumulated other comprehensive loss	(335,686)	(324,093)
Retained earnings	339,429	440,564
	292,840	405,591
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$3,129,918**	**$3,142,711**

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

	Three months ended March 31, 2010 (Unaudited)	Three months ended March 31, 2009 (Unaudited)
Operating Activities:		
Net (loss) / income	$(101,135)	$20,045
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	16,061	14,221
Impairment losses	71,509	—
Amortization of deferred charges	2,060	2,022
Deferred charges written off	—	412
Stock based compensation	27	16
Payments for drydocking / special survey	(258)	(4,720)
Change in fair value of financial instruments	32,083	(6,853)
Gain on sale of vessels	(1,916)	—
Accounts receivable	(814)	333
Other assets, current and non-current	(2,165)	(4,072)
Accounts payable and accrued liabilities	(6,833)	6,856
Other liabilities, current and non-current	1,565	1,092
Net Cash provided by Operating Activities	**10,184**	**29,352**
Investing Activities:		
Vessel additions	—	(131)
Vessels under construction	(70,043)	(132,882)
Proceeds from sale of vessels	1,764	—
Net Cash used in Investing Activities	**(68,279)**	**(133,013)**
Financing Activities:		
Debt draw downs	57,860	67,550
Debt repayment	(19,892)	(9,217)
Treasury stock	(50)	—
Deferred costs	—	(1,349)
Decrease in restricted cash	2,812	31,971
Net Cash provided by Financing Activities	**40,730**	**88,955**
Net Decrease in cash and cash equivalents	(17,365)	(14,706)
Cash and cash equivalents, beginning of period	122,050	120,720
Cash and cash equivalents, end of period	**$104,685**	**$106,014**

Reconciliation of Net Income to Adjusted EBITDA
(Expressed in thousands of United States dollars)

	Three months ended March 31, 2010 (Unaudited)	Three months ended March 31, 2009 (Unaudited)
Net (loss) / income	$(101,135)	$20,045
Depreciation	16,061	14,221
Amortization of deferred drydocking & special survey costs	1,740	1,915
Interest income	(249)	(986)
Interest expense	8,776	8,162
Impairment losses	71,509	—
Gain on sale of vessels	(1,916)	—
Non-cash changes in fair value of derivatives	43,820	(581)
Adjusted EBITDA[(2)]	**$38,606**	**$42,776**

(2) Adjusted EBITDA represents net (loss) / income before interest income and expense, depreciation, amortization, impairment losses, gain/(loss) on sale of vessels and non-cash changes in fair value of derivatives. However, Adjusted EBITDA is not a recognized measurement under U.S. generally accepted accounting principles, or "GAAP." We believe that the presentation of Adjusted 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 Adjusted EBITDA is useful in evaluating our ability to service additional debt and make capital expenditures. In addition, we believe that Adjusted EBITDA is useful in evaluating our operating performance and liquidity position compared to that of other companies in our industry because the calculation of Adjusted 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.

Reconciliation of Net Income to Adjusted Net Income
(Expressed in thousands of United States dollars, except per share amounts)

	Three months ended March 31, 2010 (Unaudited)	Three months ended March 31, 2009 (Unaudited)
Net (Loss) / Income	**$(101,135)**	**$20,045**
Loss in fair value of derivatives	59,866	3,953
Realized losses on derivatives	(16,046)	(4,534)
Impairment losses	71,509	—
Gain on sale of vessels	(1,916)	—
Adjusted Net Income	**$12,278**	**$19,464**
Adjusted Earnings Per Share	**$0.23**	**$0.36**
Weighted average number of shares	54,549	54,547

Note: Items to consider for comparability include gains and charges. Gains positively impacting net income are reflected as deductions to net income. Charges negatively impacting net income are reflected as increases to 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 three months ended March 31, 2010 and 2009. 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.