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DANAOS CORPORATION

Danaos Corporation Reports Fourth Quarter and Full Year Results for the Year Ended December 31, 2010.

Athens, Greece, March 17, 2011 – Danaos Corporation ("Danaos") (NYSE: DAC), a leading international owner of containerships, today reported unaudited results for the period ended December 31, 2010.

Highlights for the Fourth Quarter and Full Year Ended December 31, 2010:

- **We took delivery of one 3,400 TEU containership in October 2010, and two more newly built vessels with an aggregate carrying capacity of 13,500 TEU during 2011.**
- **Operating revenues of $100.5 million and $359.7 million for the three months and year ended December 31, 2010, respectively.**
- **Adjusted net income[1] of $1.5 million or $0.01 per share and $27.9 million or $0.37 per share for the three months and year ended December 31, 2010, respectively.**
- **Adjusted EBITDA[1] of $65.0 million and $243.8 million for the three months and year ended December 31, 2010, respectively.**

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

	Three months ended December 31, 2010	Three months ended December 31, 2009	Twelve months ended December 31, 2010	Twelve months ended December 31, 2009
			(unaudited)	
Operating revenues	$100,485	$85,339	$359,677	$319,511
Net (loss)/income	$(8,889)	$(16,182)	$(102,341)	$36,089
Adjusted net income[1]	$1,548	$14,759	$27,857	$65,586
(Losses)/Earnings per share	$(0.08)	$(0.30)	$(1.36)	$0.66
Adjusted earnings per share[1]	$0.01	$0.27	$0.37	$1.20
Weighted average number of shares (thousands)	108,611	54,551	75,436	54,550
Adjusted EBITDA[1]	$64,997	$56,025	$243,849	$204,019

Danaos' CEO Dr. John Coustas commented:

We finished the fourth quarter of 2010 with a fleet of 50 containerships. Since then we have taken delivery of two more ships, which immediately commenced their long-term charters. We therefore operate today a fleet of 52 large size containerships with an average age (weighted by TEU) of 8.3 years and further expect to take delivery of 13 more vessels for which we have secured long-term charters at highly accretive rates.

More importantly, the vast majority of our fleet has been re-financed, we have secured financing for the remaining 13 vessels of our orderbook and we have extended maturity of our loans until end of 2018,

[1] Adjusted net income, adjusted earnings per share and adjusted EBITDA are non-GAAP measures. Refer to the reconciliation of net income/(loss) to adjusted net income and net income/(loss) to adjusted EBITDA.

with favourable terms and covenants. We have further received government approval for a loan financing three vessels being built in China.

This Agreement paves the way for the continued growth of Danaos and indicates the trust and support from all our banks to the Company and its management.

In the fourth quarter of 2010, we recorded revenues of $101 million, adjusted EBITDA of $65 million and $1.5 million adjusted net income, adjusted for certain non-cash charges, as well as costs related to the execution of our financing plan. The year ended with total revenues of $360 million, adjusted EBITDA of $244 million and adjusted net income of $27.9 million, again, adjusted for certain non-cash charges, other one-off items and costs related to the execution of our financing plan.

During 2010, the container industry showed strong recovery from 2009 with liner companies reporting strong profits and continued optimistic outlook. Demand increased by over 12% while the majority of the idle capacity in 2009 was reactivated to cope with rapidly increasing trading volumes. At the same time, and with oil prices remaining strong, the slow-steaming strategies followed by the liner industry will absorb several new ship deliveries and thereby help maintain the supply-demand balance.

The weakness experienced in the last quarter of 2010 quickly reversed in 2011 and today we are further up from the 2010 highs. As values move up driven by demand/supply disparities there seems to be a decreasing number of willing sellers, especially for quality tonnage and larger vessels. Adding to that, the global order-book has decreased to decade-long low levels while a number of recently placed orders for new buildings are just enough to support liner operations with older fleets, which had not participated in the ordering activity of the last five years.

On the demand side, the 2011 spring and summer seasons are expected to be strong as recovery in the US and the rest of the world continues. However, as the expectation for oil prices is to remain high, slow steaming should not be expected to be abandoned as the asset market becomes tighter and starts pushing charter rates higher. All this is supportive of expectations for a continued strong asset and charter market which should benefit the containerships and allow the industry to continue building healthier balance sheets.

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

During the quarter ended December 31, 2010, Danaos had an average of 49.9 containerships compared to 42.0 containerships for the same period in 2009. During the fourth quarter of 2010, we took delivery of one vessel, the Hanjin Versailles on October 11, 2010. Our fleet utilization was 98.5% in the fourth quarter of 2010.

Our adjusted net income was $1.5 million, or $0.01 per share, for the three months ended December 31, 2010 compared to $14.8 million, or $0.27 per share, for the three months ended December 31, 2009, adjusted for non-cash gain in fair value of derivatives of $8.3 million recorded in 2010 compared to $30.9 million loss recorded in 2009, as well as an expense of $18.7 million for fees related to our Comprehensive Financing Plan. Adjusted net income for the fourth quarter of 2010 decreased by $13.3 million, compared to the three months ended December 31, 2009. This decrease is mainly attributed to increased realized loss on our interest rate swap contracts and interest expense on our credit facilities recorded in our Statement of Income during the three months ended December 31, 2010 compared to the same period of 2009, which was partially offset by increased Income from Operations. On a non-adjusted basis, our net loss was $8.9 million, or a loss of $0.08 per share, for the fourth quarter of 2010, compared to net loss of $16.2 million, or a loss of $0.30 per share, for the fourth quarter of 2009. Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

Operating Revenue
Operating revenue increased 17.8%, or $15.2 million, to $100.5 million in the three months ended December 31, 2010, from $85.3 million in the three months ended December 31, 2009. The increase was primarily attributed to the addition of nine vessels to our fleet, as follows:

Vessel Name	Vessel Size (TEU)	Date Delivered
CMA CGM Musset	6,500	March 12, 2010
CMA CGM Nerval	6,500	May 17, 2010
YM Mandate	6,500	May 19, 2010
Hanjin Buenos Aires	3,400	May 27, 2010
CMA CGM Rabelais	6,500	July 2, 2010
Hanjin Santos	3,400	July 6, 2010
CMA CGM Racine	6,500	August 16, 2010
YM Maturity	6,500	August 18, 2010
Hanjin Versailles	3,400	October 11, 2010

These additions to our fleet contributed revenues of $23.4 million during the three months ended December 31, 2010. These revenues were offset in part by the sale of one 1,704 TEU containership, the MSC Eagle, on January 22, 2010, which had contributed revenues of $1.0 million for the three months ended December 31, 2009.

We also had a further decrease in revenues of $7.2 million during the three months ended December 31, 2010, mainly attributed to re-chartering of certain vessels at reduced charter rates.

Vessel Operating Expenses
Vessel operating expenses increased 16.7%, or $3.9 million, to $27.2 million in the three months ended December 31, 2010, from $23.3 million in the three months ended December 31, 2009. The increase is mainly attributed to the increased average number of vessels under time charter in our fleet during the three months ended December 31, 2010 compared to the same period of 2009, as well as increased costs of certain vessels which were on charterers' directed lay-up for 92 days only during the fourth quarter of 2010 compared to 283 days in the same period of 2009.

Although the average number of vessels in our fleet increased during the three months ended December 31, 2010 compared to the same period of 2009, the average daily operating cost per vessel (under time charter) was reduced to $6,310 for the three months ended December 31, 2010, from $6,518 for the three months ended December 31, 2009 (excluding those vessels on lay-up).

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

Depreciation
Depreciation expense increased 36.8%, or $6.0 million, to $22.3 million in the three months ended December 31, 2010, from $16.3 million in the three months ended December 31, 2009. The increase in depreciation expense was due to the increased average number of vessels in our fleet during the three months ended December 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 40.0%, or $0.8 million, to $1.2 million in the three months ended December 31, 2010, from $2.0 million in the three months ended December 31, 2009. The decrease reflects lower drydocking costs amortized during the three months ended December 31, 2010 compared to the same period of 2009.

General and Administrative Expenses
General and administrative expenses increased by $2.7 million, to $6.9 million in the three months ended December 31, 2010, from $4.2 million in the same period of 2009. The increase was mainly the result of a non-cash stock based compensation of the Manager's employees of $1.6 million and increased fees of $0.8 million to our Manager in the three months ended December 31, 2010 compared to the same period of 2009, due to the increase in the average number of vessels in our fleet and an increase in the per day fee payable to our Manager since January 1, 2010.

Other Operating Expenses
Other Operating Expenses includes Voyage Expenses.

Voyage Expenses

Voyage expenses increased by $1.2 million, to $3.1 million in the three months ended December 31, 2010, from $1.9 million in the three months ended December 31, 2009. The increase was mainly the result of increased various voyage expenses, such as port, commission and other expenses due to the increased number of vessels in our fleet.

Interest Expense and Interest Income
Interest expense increased by 18.3%, or $1.7 million, to $11.0 million in the three months ended December 31, 2010, from $9.3 million in the three months ended December 31, 2009. The change in interest expense was partially due to the increase in our average debt by $247.1 million, to $2,558.5 million in the quarter ended December 31, 2010, from $2,311.4 million in the quarter ended December 31, 2009. In addition, the delivery of newbuild vessels has resulted in a reduction in the amount of interest capitalized, rather than such interest being recognized as an expense, by $3.7 million, to $4.2 million in the three months ended December 31, 2010, from $7.9 million in the three months ended December 31, 2009.

Interest income decreased by $0.1 million, to $0.3 million in the three months ended December 31, 2010, from $0.4 million in the three months ended December 31, 2009. The decrease in interest income is mainly attributed to lower average cash balances during the three months ended December 31, 2010 compared to the three months ended December 31, 2009.

Other income/(expenses), net
Other income/(expenses), net, reduced by $18.3 million, to a loss of $17.7 million in the three months ended December 31, 2010, from income of $0.6 million in the three months ended December 31, 2009. This was mainly the result of legal and advisory fees of $18.0 million attributed to fees related to preparing and structuring the Comprehensive Financing Plan, which were recorded during the three months ended December 31, 2010.

Other finance costs, net
Other finance costs, net, increased by $0.4 million, to $1.2 million in the three months ended December 31, 2010, from $0.8 million in the three months ended December 31, 2009. The increase was mainly the result of fees related to the Comprehensive Financing Plan of the Company, which were recorded during the three months ended December 31, 2010.

Loss on fair value of derivatives
Loss on fair value of derivatives, decreased by $25.6 million, to a loss of $19.0 million in the three months ended December 31, 2010, from a loss of $44.6 million in the same period of 2009. The decrease is mainly attributed to non-cash changes in fair value of interest rate swaps of $8.3 million gain recorded in our Statement of Income in the three months ended December 31, 2010, due to hedge accounting ineffectiveness, compared to $30.9 million loss in the three months ended December 31, 2009, as well as realized loss on interest rate swap hedges of $27.3 million recorded in our Statement of Income during the three months ended December 31, 2010, which is mainly attributed to higher average notional amount of swaps and reduced LIBOR payable on our credit facilities against LIBOR fixed through such swaps, compared to $13.7 million loss in the three months ended December 31, 2009.

In addition, realized losses on cash flow hedges of $8.7 million and $11.2 million in the three months ended December 31, 2010 and 2009, respectively, were deferred in “Accumulated Other Comprehensive Loss”, rather than such realized losses being recognized as expenses, and will be reclassified into earnings over the depreciable lives of these vessels under construction, which are financed by loans for which their interest rates have been hedged by our interest rate swap contracts. The table below provides an analysis of the items discussed above, and were recorded in the three months ended December 31, 2010 and 2009:

	Three months ended December 31, 2010		Three months ended December 31, 2009	
	(in millions)			
Gain/(loss) of non-cash changes in fair value of swaps		$8.3		$(30.9)
Total realized losses of swaps	(36.0)		(24.9)	
Realized losses of swaps deferred in OCI	8.7		11.2	
Realized losses of swaps expensed in P&L		(27.3)		(13.7)
Loss on fair value of derivatives		**$(19.0)**		**$(44.6)**

Adjusted EBITDA

Adjusted EBITDA increased by $9.0 million, or 16.1%, to $65.0 million in the three months ended December 31, 2010, from $56.0 million in the three months ended December 31, 2009, adjusted for non-cash gain in fair value of derivatives of $8.3 million in the three months ended December 31, 2010 compared to $30.9 million loss in the three months ended December 31, 2009, realized loss on derivatives of $27.3 million in the three months ended December 31, 2010 compared to a $13.7 million realized loss in the three months ended December 31, 2009, as well as non-cash stock based compensation of $1.6 million and an expense of $18.7 million of fees related to our Comprehensive Financing Plan recorded in the three months ended December 31, 2010. A table reconciling Adjusted EBITDA to Net Income/(Loss) can be found at the end of this earnings release.

Twelve months ended December 31, 2010 compared to the twelve months ended December 31, 2009

On August 6, 2010, we entered into a commitment letter with our lenders for the restructuring of our existing debt obligations, and approximately $426 million of new debt financing. The agreed terms, contemplate that, under our existing bank debt facilities, the amortization and maturities will be rescheduled, the interest rate margin will be reduced from current levels, and the financial covenants, events of default, and guarantee and security packages will be revised. In connection with this arrangement, we had also agreed to issue to our lenders warrants to purchase an aggregate of 15 million shares of our common stock for an initial exercise price of $6.00 per share (refer to “Recent News” section). We have also reached an agreement for $203.4 million credit facility with CEXIM for which we are in the process of finalizing, after having received approvals from all related government agencies. Furthermore, we issued and sold to several investors, including our largest stockholder, on August 12, 2010, 54,054,055 shares of our Common Stock for an aggregate purchase price of $200.0 million in cash. Following the transaction, the shares issued and outstanding as of December 31, 2010, were 108,610,921. On September 27, 2010, we entered into a $190 million financing facility with Hyundai Samho Heavy Industries (“Hyundai Samho”) in respect of eight of our newbuilding containerships on order from Hyundai Samho, in the form of delayed payment schedule of a portion of the final installment for each such newbuilding.

During the twelve months ended December 31, 2010, Danaos had an average of 45.7 containerships compared to 40.5 containerships for the same period of 2009. During 2010, we took delivery of nine vessels, which are all on long-term charterers, the CMA CGM Musset on March 12, 2010, the CMA CGM Nerval on May 17, 2010, the YM Mandate on May 19, 2010, the Hanjin Buenos Aires on May 27, 2010, the CMA CGM Rabelais on July 2, 2010, the Hanjin Santos on July 6, 2010, the CMA CGM Racine on August 16, 2010, the YM Maturity on August 18, 2010 and the Hanjin Versailles on October 11, 2010 and we sold the MSC Eagle on January 22, 2010, a vessel over 30 years old. Our fleet utilization was 98.3% in the twelve months ended December 31, 2010.

Our adjusted net income was $27.9 million, or $0.37 per share, for the twelve months ended December 31, 2010 compared to $65.6 million, or $1.20 per share, for the twelve months ended December 31, 2009, adjusted for non-cash changes in fair value of derivatives of a $48.9 million loss recorded in the twelve months ended December 31, 2010 compared to a $29.5 million loss recorded in the twelve months ended December 31, 2009, as well as an impairment loss of $71.5 million in relation to the cancellation of three 6,500 TEU newbuilding containerships, a gain of $12.6 million in relation to an agreement entered into with the charterer of the three newbuildings cancelled in consideration for the termination of the respective charter parties, an expense of $24.3 million for fees related to our

Comprehensive Financing Plan and a gain on sale of vessels of $1.9 million recorded in the twelve months ended December 31, 2010. Adjusted net income for the twelve months ended December 31, 2010 decreased by 57.5%, or $37.7 million, compared to the twelve months ended December 31, 2009. This decrease is mainly attributed to an increase in the realized loss on our interest rate swap contracts and interest expense on our credit facilities recorded in our Statement of Income during the twelve months ended December 31, 2010 compared to 2009, which was partially offset by increased Income from Operations. On a non-adjusted basis, our net loss was $102.3 million, or a loss of $1.36 per share, for the twelve months ended December 31, 2010, compared to net income of $36.1 million, or $0.66 per share, for the twelve months ended December 31, 2009. Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

Operating Revenue
Operating revenue increased 12.6%, or $40.2 million, to $359.7 million in the twelve months ended December 31, 2010, from $319.5 million in the twelve months ended December 31, 2009. The increase was primarily attributed to the addition to our fleet of nine vessels, as follows:

Vessel Name	Vessel Size (TEU)	Date Delivered
CMA CGM Musset	6,500	March 12, 2010
CMA CGM Nerval	6,500	May 17, 2010
YM Mandate	6,500	May 19, 2010
Hanjin Buenos Aires	3,400	May 27, 2010
CMA CGM Rabelais	6,500	July 2, 2010
Hanjin Santos	3,400	July 6, 2010
CMA CGM Racine	6,500	August 16, 2010
YM Maturity	6,500	August 18, 2010
Hanjin Versailles	3,400	October 11, 2010

These additions to our fleet contributed revenues of $48.9 million during the twelve months ended December 31, 2010. Moreover, two 4,253 TEU containerships, the Zim Dalian and the Zim Luanda, which were added to our fleet on March 31, 2009 and June 26, 2009, as well as a 6,500 TEU containership, the CMA CGM Moliere, which was added to our fleet on September 28, 2009, contributed incremental revenues of $15.5 million during the twelve months ended December 31, 2010 compared to 2009. 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 $3.8 million for the twelve months ended December 31, 2009 compared to revenues of $0.1 million in the twelve months ended December 31, 2010.

We also had a further decrease in revenues of $20.5 million during the twelve months ended December 31, 2010, mainly attributed to re-chartering of vessels at reduced charter hire, as well as reduced charter hire, in relation to vessels laid up by our charterers, representing operating expenses not being incurred during the lay-up period.

Vessel Operating Expenses
Vessel operating expenses decreased 4.3%, or $4.0 million, to $88.3 million in the twelve months ended December 31, 2010, from $92.3 million in the twelve months ended December 31, 2009. The reduction is mainly attributed to reduced costs of certain vessels which were on charterers' directed lay-up for 1,311 days in aggregate during 2010 compared to 307 days in the same period of 2009. Although the average number of vessels in our fleet under time charter increased during the twelve months ended December 31, 2010 compared to the same period of 2009, the average daily operating cost per vessel (under time charter) was reduced to $5,884 for the twelve months ended December 31, 2010, from $6,373 for the twelve months ended December 31, 2009 (excluding those vessels on lay-up).

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

Depreciation
Depreciation expense increased 26.4%, or $16.1 million, to $77.0 million in the twelve months ended December 31, 2010, from $60.9 million in the twelve months ended December 31, 2009. The increase

in depreciation expense was due to the increased average number of vessels in our fleet during the twelve months ended December 31, 2010, compared to 2009.

Amortization of Deferred Dry-docking and Special Survey Costs
Amortization of deferred dry-docking and special survey costs decreased 10.8%, or $0.9 million, to $7.4 million in the twelve months ended December 31, 2010, from $8.3 million in the twelve months ended December 31, 2009. The decrease reflects reduced drydocking costs amortized during the twelve months ended December 31, 2010 compared to 2009.

Impairment Loss
On May 25, 2010, we signed an agreement, which forms part of the overall Comprehensive Financing Plan, 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, and recorded impairment loss of $71.5 million, which consisted of cash advances of $64.35 million paid to the shipyard and $7.16 million of interest capitalized and other predelivery capital expenditures paid in relation to the construction of the respective newbuildings.

General and Administrative Expenses
General and administrative expenses increased by $8.8 million, to $23.3 million in the twelve months ended December 31, 2010, from $14.5 million in the same period of 2009. The increase was mainly the result of legal and advisory fees of $2.5 million (attributed to fees related to preparing and structuring the Comprehensive Financing Plan), as well as non-cash stock based compensation of the Manager's 130 employees of $1.6 million recorded in 2010 and increased fees of $2.7 million to our Manager in the twelve months ended December 31, 2010 compared to 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.

Sale of Vessels
On January 22, 2010, we sold and delivered the MSC Eagle. The sale consideration was $4.6 million. We realized a net gain on this sale of $1.9 million. The MSC Eagle was over 30-years old and was generating revenue under its time charter, which expired in January 2010.

Other Operating Expenses
Other Operating Expenses includes Voyage Expenses.

Voyage Expenses
Voyage expenses increased 8.2%, or $0.6 million, to $7.9 million in the twelve months ended December 31, 2010, from $7.3 million for the twelve months ended December 31, 2009. The increase was mainly the result of increased various voyage expenses, such as port, commission and other expenses due to the increased number of vessels in our fleet.

Interest Expense and Interest Income
Interest expense increased 13.8%, or $5.0 million, to $41.2 million in the twelve months ended December 31, 2010, from $36.2 million in the twelve months ended December 31, 2009. The change in interest expense was partially due to the increase in our average debt by $179.8 million to $2,406.4 million in the twelve months ended December 31, 2010, from $2,226.6 million in the twelve months ended December 31, 2009, as well as increased margins over LIBOR following our agreements in connection with covenant waivers obtained during 2009, which was partially offset by the decrease of LIBOR payable under our credit facilities in the twelve months ended December 31, 2010 compared to the twelve months ended December 31, 2009. In addition, the delivery of newbuild vessels has resulted in reduction in the amount of interest capitalized, rather than such interest being recognized as an expense, by $9.2 million, to $23.9 million in the twelve months ended December 31, 2010, from $33.1 million in the twelve months ended December 31, 2009.

Interest income decreased by $1.4 million, to $1.0 million in the twelve months ended December 31, 2010, from $2.4 million in the twelve months ended December 31, 2009. The decrease in interest income is attributed to lower average cash balances, as well as reduced interest rates to which our cash balances were subject during the twelve months ended December 31, 2010 compared to the twelve months ended December 31, 2009.

Other income/(expenses), net

Other income/(expenses), net, decreased by $4.8 million, to an expense of $5.1 million in the twelve months ended December 31, 2010, from an expense of $0.3 million in 2009. The reduction was mainly the result of legal and advisory fees of $18.0 million (attributed to fees related to preparing and structuring the Comprehensive Financing Plan), which were partially offset by income of $12.6 million in relation to an agreement entered into with the charterer of the three newbuildings cancelled on May 25, 2010 in consideration for the termination of the respective charter parties, recorded during the twelve months ended December 31, 2010.

Other finance costs, net
Other finance cost, net, increased by $3.8 million, to $6.1 million in the twelve months ended December 31, 2010, from $2.3 million in the twelve months ended December 31, 2009. The increase was the result of $3.8 million of fees related to the Comprehensive Financing Plan of the Company, which were recorded during the twelve months ended December 31, 2010.

Loss on fair value of derivatives
Loss on fair value of derivatives, increased by $73.6 million, to a loss of $137.2 million in the twelve months ended December 31, 2010, from a loss of $63.6 million in 2009. The increase is mainly attributable to non-cash changes in fair value of interest rate swaps of $44.7 million loss recorded in our Statement of Income in the twelve months ended December 31, 2010, due to hedge accounting ineffectiveness and changes in forecasted debt, compared to a $29.5 million loss in the twelve months ended December 31, 2009, as well as a non-cash loss of $4.2 million in relation to deferred realized loss on cash flow hedges for the HN N-216, the HN N-217 and the HN N-218 following their cancellation being reclassified from "Accumulated other comprehensive loss" in the consolidated balance sheet to condensed consolidated statement of income in the twelve months ended December 31, 2010. Furthermore, the increased loss on fair value of derivatives is attributable to realized loss on interest rate swap hedges of $88.3 million recorded in our Statement of Income during the twelve months ended December 31, 2010, due to higher average notional amount of swaps and reduced LIBOR payable on our credit facilities against LIBOR fixed through such swaps, compared to a $34.1 million loss in the twelve months ended December 31, 2009.

In addition, realized losses on cash flow hedges of $38.5 million and $36.3 million in the twelve months ended December 31, 2010 and 2009, respectively, were deferred in "Accumulated Other Comprehensive Loss", rather than such realized losses being recognized as expenses, and will be reclassified into earnings over the depreciable lives of these vessels under construction, which are financed by loans for which their interest rates have been hedged by our interest rate swap contracts. The table below provides an analysis of the items discussed above, and were recorded in the twelve months ended December 31, 2010 and 2009:

	Twelve months ended December 31, 2010		Twelve months ended December 31, 2009	
	(in millions)			
Gain/(loss) of non-cash changes in fair value of swaps		$(44.7)		$(29.5)
Total realized losses of swaps	(126.8)		(70.4)	
Realized losses of swaps deferred in OCI	38.5		36.3	
Realized losses of swaps expensed in P&L		(88.3)		(34.1)
Impairment of deferred realized losses		(4.2)		—
Loss on fair value of derivatives		**$(137.2)**		**$(63.6)**

Adjusted EBITDA
Adjusted EBITDA increased by $39.8 million, or 19.5%, to $243.8 million in the twelve months ended December 31, 2010, from $204.0 million in the twelve months ended December 31, 2009, adjusted for a gain of $12.6 million in relation to an agreement entered into with the charterer of the three newbuildings cancelled in consideration for the termination of the respective charter parties, an expense of $24.3 million of fees related to our Comprehensive Financing Plan, a non-cash stock based compensation of $1.7 million, a gain on sale of vessel of $1.9 million, impairment loss of $71.5 million, non-cash changes in fair value of derivatives of $48.9 million loss recorded in the twelve

months ended December 31, 2010 compared to $29.5 million loss recorded in the twelve months ended December 31, 2009 and realized loss on derivatives of $88.3 million recorded in the twelve months ended December 31, 2010 compared to $34.1 million recorded in the twelve months ended December 31, 2009. Table reconciling Adjusted EBITDA to Net Income/(Loss) can be found at the end of this earnings release.

Recent News

On January 26, 2011, the Company took delivery of the newbuilding 3,400 TEU vessel, the Hanjin Algeciras. The vessel has been deployed on a 10-year time charter with one of the world's major liner companies.

On March 10, 2011, the Company took delivery of the newbuilding 10,100 TEU vessel, the Hanjin Germany. The vessel has been deployed on a 12-year time charter with one of the world's major liner companies.

On March 17, 2011, we are issuing 11.2 million warrants to purchase our common stock to certain of the banks which are parties to our Comprehensive Financing Plan. The warrants which will expire in January 2019 have an initial exercise price of $6.00 per share. The warrants may only be exercised on a cashless basis, which reduces the dilutive effects to our common stock. We expect to issue later this year, an additional 3.8 million warrants, with the same terms to the remaining banks participating in our Comprehensive Financing Plan. As of March 17, 2011, a total of 108.6 million shares of the company's common stock were outstanding.

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 52 containerships aggregating 233,429 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 13 additional containerships aggregating 129,250 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 67 off-hire days in total in the fourth 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)	First Quarter 2010	Second Quarter 2010	Third Quarter 2010	Fourth Quarter 2010	Total
Ownership Days	3,732	3,945	4,408	4,590	**16,675**
Less Off-hire Days:					
Scheduled Off-hire Days	(12)	—	(138)	(41)	**(191)**
Other Off-hire Days	(1)	(64)	—	(26)	**(91)**
Operating Days	**3,719**	**3,881**	**4,270**	**4,523**	**16,393**
Vessel Utilization	**99.7%**	**98.4%**	**96.9%**	**98.5%**	**98.3%**

Revenue - Impact of Off-hire (in '000s of US Dollars)	First Quarter 2010	Second Quarter 2010	Third Quarter 2010	Fourth Quarter 2010	Total
100% Fleet Utilization	$80,002	$86,009	$94,758	$101,051	**$361,820**
Less Off-hire Days:					
Scheduled Off-hire Days	(328)	—	(171)	—	**(499)**
Other Off-hire Days	(15)	(1,063)	—	(566)	**(1,644)**
Actual Revenue Earned	**$79,659**	**$84,946**	**$94,587**	**$100,485**	**$359,677**

Fleet List

The following table describes in detail our fleet deployment profile as of March 17, 2011.

Vessel Name	Vessel Size (TEU)	Year Built	Expiration of Charter[1]
Containerships			
Hanjin Germany	10,100	2011	December 2022
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
CMA CGM Rabelais[3]	6,500	2010	June 2022
YM Mandate	6,500	2010	January 2028
CMA CGM Racine[3]	6,500	2010	July 2022
YM Maturity	6,500	2010	April 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 2013
Hyundai Duke	4,651	1992	February 2013
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	February 2014
Deva [8]	4,253	2004	December 2013
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[9]	3,908	1989	January 2012
YM Yantian	3,908	1989	July 2011
Hanjin Buenos Aires	3,400	2010	March 2020
Hanjin Santos	3,400	2010	May 2020
Hanjin Versailles	3,400	2010	August 2020
Hanjin Algeciras	3,400	2011	November 2020
SCI Pride[10]	3,129	1988	July 2012
Lotus[11]	3,098	1988	June 2011
Independence[12]	3,045	1986	October 2011
Henry[13]	3,039	1986	July 2011
Jiangsu Dragon [14]	2,917	1991	June 2011
California Dragon[15]	2,917	1991	June 2011
Shenzhen Dragon [16]	2,917	1991	June 2011
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	February 2018
Hyundai Bridge	2,200	1998	January 2018
Hyundai Highway	2,200	1998	January 2018
Hyundai Vladivostok	2,200	1997	May 2017

Hanjin Montreal [17]	2,130	1984	June 2011	

(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 7, 2010, the *Bunga Raya Tujuh* was renamed to *Deva* at the request of the charterer of this vessel.
(9) On January 31, 2011, the *Al Rayan* was renamed to *Honour* at the request of the charterer of this vessel.
(10) On August 18, 2010, the *YM Milano* was renamed to *SCI Pride* at the request of the charterer of this vessel.
(11) On July 24, 2010, the *CMA CGM Lotus* was renamed to *Lotus* at the request of the charterer of this vessel.
(12) On October 18, 2010, the *CMA CGM Vanille* was renamed to *Independence* at the request of the charterer of this vessel
(13) On May 13, 2010, the *CMA CGM Passiflore* was renamed to *Henry* at the request of the charterer of this vessel.
(14) On July 7, 2010, the *CMA CGM Elbe* was renamed to *Jiangsu Dragon* at the request of the charterer of this vessel.
(15) On July 20, 2010, the *CMA CGM Kalamata* was renamed to *California Dragon* at the request of the charterer of this vessel.
(16) On June 26, 2010, the *CMA CGM Komodo* was renamed to *Shenzhen Dragon* at the request of the charterer of this vessel.
(17) 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(*)	Charter Term
HN N-223	3,400	2nd Quarter 2011	10 years
HN Z00001	8,530	2nd Quarter 2011	12 years
Hull No S-462	10,100	2nd Quarter 2011	12 years
HN Z00002	8,530	3rd Quarter 2011	12 years
HN Z00003	8,530	3rd Quarter 2011	12 years
HN Z00004	8,530	3rd Quarter 2011	12 years
Hull No S-463	10,100	2nd Quarter 2011	12 years
HN H 1022A	8,530	4th Quarter 2011	12 years
Hull No S-456	12,600	1st Quarter 2012	12 years
Hull No S-457	12,600	1st Quarter 2012	12 years
Hull No S-458	12,600	2nd Quarter 2012	12 years
Hull No S-459	12,600	2nd Quarter 2012	12 years
Hull No S-460	12,600	2nd Quarter 2012	12 years

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

	Three months ended December 31, 2010	Three months ended December 31, 2009	Twelve months ended December 31, 2010	Twelve months ended December 31, 2009
			(Unaudited)	
OPERATING REVENUES	**$100,485**	**$85,339**	**$359,677**	**$319,511**
OPERATING EXPENSES				
Vessel operating expenses	(27,222)	(23,341)	(88,271)	(92,327)
Depreciation & amortization	(23,485)	(18,284)	(84,471)	(69,201)
General & administrative	(6,862)	(4,186)	(23,255)	(14,541)
Gain on sale of vessels	—	—	1,916	—
Impairment loss	—	—	(71,509)	—
Other operating expenses	(3,099)	(1,933)	(7,928)	(7,346)
Income From Operations	**39,817**	**37,595**	**86,159**	**136,096**
OTHER EARNINGS (EXPENSES)				
Interest income	272	355	964	2,428
Interest expense	(10,996)	(9,345)	(41,158)	(36,208)
Other finance cost, net	(1,234)	(755)	(6,055)	(2,290)
Other income/(expenses), net	(17,723)	600	(5,070)	(336)
Loss on fair value of derivatives	(19,025)	(44,632)	(137,181)	(63,601)
Total Other Income (Expenses), net	**(48,706)**	**(53,777)**	**(188,500)**	**(100,007)**
Net (Loss)/Income	**$(8,889)**	**$(16,182)**	**$(102,341)**	**$36,089**
(Losses)/Earnings per Share				
Basic and diluted net (loss)/income per share	$(0.08)	$(0.30)	$(1.36)	$0.66
Basic and diluted weighted average number of common shares (in thousands of shares)	108,611	54,551	75,436	54,550

Non-GAAP Measures*
Reconciliation of Net Income/(Loss) to Adjusted Net Income - Unaudited

	Three months ended December 31, 2010	Three months ended December 31, 2009	Twelve months ended December 31, 2010	Twelve months ended December 31, 2009
Net (Loss)/Income	$(8,889)	$(16,182)	$(102,341)	$36,089
Loss in fair value of derivatives	19,025	44,632	137,181	63,601
Realized loss on derivatives	(27,277)	(13,691)	(88,302)	(34,104)
Impairment loss	—	—	71,509	—
Gain on contract termination	—	—	(12,600)	—
Comprehensive Financing Plan	18,689	—	24,326	—
Gain on sale of vessels	—	—	(1,916)	—
Adjusted Net Income	**$1,548**	**$14,759**	**$27,857**	**$65,586**
Adjusted Earnings Per Share	**$0.01**	**$0.27**	**$0.37**	**$1.20**
Weighted average number of shares	108,611	54,551	75,436	54,550

* 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 these 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 Table above for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three and twelve months ended December 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.

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

	As of December 31, 2010 (Unaudited)	As of December 31, 2009 (Unaudited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$229,835	$122,050
Restricted cash, current portion	2,907	154,078
Accounts receivable, net	4,112	3,732
Other current assets	29,976	20,644
	266,830	300,504
NON-CURRENT ASSETS		
Fixed assets, net	2,273,483	1,573,759
Advances for vessels under construction	904,421	1,194,088
Restricted cash, net of current portion	—	44,393
Deferred charges, net	24,692	20,583
Fair value of financial instruments	4,465	3,762
Other non-current assets	15,239	5,622
	3,222,300	2,842,207
TOTAL ASSETS	**3,489,130**	**3,142,711**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Long-term debt, current portion	21,619	2,331,678
Accounts payable, accrued liabilities & other current liabilities	95,131	86,264
Fair value of financial instruments, current portion	129,747	100,065
	246,497	2,518,007
LONG-TERM LIABILITIES		
Long term-debt, net of current portion	2,543,907	—
Fair value of financial instruments, net of current portion	302,162	213,493
Other long-term liabilities	4,152	5,620
	2,850,221	219,113
STOCKHOLDERS' EQUITY		
Common stock	1,086	546
Additional paid-in capital	489,672	288,613
Treasury stock	(3)	(39)
Accumulated other comprehensive loss	(436,566)	(324,093)
Retained earnings	338,223	440,564
	392,412	405,591
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$3,489,130**	**$3,142,711**

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

	Three months ended December 31, 2010	Three months ended December 31, 2009	Twelve months ended December 31, 2010	Twelve months ended December 31, 2009
Operating Activities:				
Net (loss)/income	$(8,889)	$(16,182)	$(102,341)	$36,089
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	22,251	16,252	77,045	60,906
Impairment loss	—	—	71,509	—
Amortization of deferred charges	1,572	2,325	8,766	9,184
Written off amount of deferred charges	—	—	1,084	412
Stock based compensation	1,625	8	1,685	47
Payments for drydocking/special survey	(571)	(184)	(3,122)	(7,259)
Change in fair value of financial instruments	(16,923)	19,700	10,375	(6,801)
Gain on sale of vessels	—	—	(1,916)	—
Accounts receivable	107	(1,037)	(380)	(2,613)
Other assets, current and non-current	(8,991)	(5,853)	(18,949)	(1,442)
Accounts payable and accrued liabilities	23,506	1,829	32,449	6,933
Other liabilities, current and non-current	264	(541)	2,587	(2,290)
Net Cash provided by Operating Activities	**13,951**	**16,317**	**78,792**	**93,166**
Investing Activities:				
Vessel acquisitions including advances	—	(12)	—	(299)
Vessels under construction	(119,706)	(56,681)	(589,512)	(374,921)
Proceeds from sale of vessels	—	2,311	1,764	2,311
Net Cash used in Investing Activities	**(119,706)**	**(54,382)**	**(587,748)**	**(372,909)**
Financing Activities:				
Debt draw downs	41,580	28,200	437,399	267,043
Debt repayment	(3,842)	(6,892)	(208,751)	(32,219)
Issuance of common stock	—	—	200,000	—
Treasury stock purchased	—	—	(50)	—
Deferred costs	(1,596)	(13)	(7,421)	(6,822)
Decrease in restricted cash	10,808	13,447	195,564	53,071
Net Cash provided by Financing Activities	**46,950**	**34,742**	**616,741**	**281,073**
Net (decrease)/increase in cash and cash equivalents	(58,805)	(3,323)	107,785	1,330
Cash and cash equivalents, beginning of period	288,640	125,373	122,050	120,720
Cash and cash equivalents, end of period	**$229,835**	**$122,050**	**$229,835**	**$122,050**

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

	Three months ended December 31, 2010	Three months ended December 31, 2009	Twelve months ended December 31, 2010	Twelve months ended December 31, 2009
			(Unaudited)	
Net (loss)/income	$(8,889)	$(16,182)	$(102,341)	36,089
Depreciation	22,251	16,252	77,045	60,906
Amortization of deferred drydocking & special survey costs	1,234	2,032	7,426	8,295
Amortization of deferred finance costs and write-offs	338	293	1,340	1,301
Interest income	(272)	(355)	(964)	(2,428)
Interest expense	10,996	9,345	41,158	36,208
Impairment loss	—	—	71,509	—
Gain on sale of vessels	—	—	(1,916)	—
Gain on contract termination[(2)]	—	—	(12,600)	—
Comprehensive Financing Plan related fees[(3)]	18,689	—	24,326	—
Stock based compensation[(4)]	1,625	8	1,685	47
Realized loss on derivatives	27,277	13,691	88,302	34,104
Non-cash changes in fair value of derivatives	(8,252)	30,941	48,879	29,497
Adjusted EBITDA[(5)]	**$64,997**	**$56,025**	**$243,849**	**$204,019**

(2) Gain on contract termination relates to consideration of $12.6 million received by the charterer of the three newbuildings cancelled on May 25, 2010 in relation to the termination of the respective charter parties.

(3) Fees related to our Comprehensive Financing Plan, of which $0.7 million and $3.8 million for the three and twelve months ended December 31, 2010, respectively, relate to financing fees and were recorded in "Other finance costs". Furthermore, $18.0 million and $20.5 million for the three and twelve months ended December 31, 2010, respectively, relate to legal and other advisory fees recorded in "Other income/(expense)" and "General and administrative expenses".

(4) Stock based compensation expense was recorded in "General and administrative expenses".

(5) Adjusted EBITDA represents net income/(loss) before interest income and expense, depreciation, amortization of deferred drydocking & special survey costs and deferred finance costs, impairment loss, gain/(loss) on sale of vessels, non-cash changes in fair value of derivatives, realized gain/(loss) on derivatives, gain on contract termination, stock based compensation and other items in relation to the Company's Comprehensive Financing Plan. 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. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

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 these 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 and twelve months ended December 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.