World – Class Shipping, Leading – Edge Expertise

DANAOS CORPORATION

Danaos Corporation Reports First Quarter Results for the Period Ended March 31, 2011.

Athens, Greece, May 4, 2011 – Danaos Corporation ("Danaos") (NYSE: DAC), a leading international owner of containerships, today reported unaudited results for the period ended March 31, 2011.

Highlights for the First Quarter Ended March 31, 2011:

- **During the first quarter of 2011, we took delivery and deployed two newly built containership vessels with an aggregate carrying capacity of 13,500 TEU.**
- **Operating revenues of $99.0 million for the quarter ended March 31, 2011.**
- **Adjusted net income[1] of $11.4 million or $0.10 per share for the quarter ended March 31, 2011.**
- **Adjusted EBITDA[1] of $65.2 million for the quarter ended March 31, 2011.**

Three Months Ended March 31, 2011
Financial Summary
(Expressed in thousands of United States dollars, except per share amounts):

	Three months ended March 31, 2011	Three months ended March 31, 2010
	(unaudited)	(unaudited)
Operating revenues	$98,989	$79,659
Net income/(loss)	$5,443	$(79,765)
Adjusted net income	$11,354	$17,648
Earnings/(losses) per share	$0.05	$(1.46)
Adjusted earnings per share	$0.10	$0.32
Weighted average number of shares (in thousands)	108,611	54,549
Adjusted EBITDA[1]	$65,178	$56,047

Danaos' CEO Dr. John Coustas commented:

This quarter epitomizes the conclusion of our financing arrangements and sets the framework for the continued growth of Danaos. Without any financing overhang, the company can now conclude the ambitious newbuilding program which was instituted from 2007 and deliver the benefits of all these projects into the bottom line.

In terms of financial results, we still see the numbers influenced by one-off items, which relate to restructuring costs and over-hedging of our debt. These items will gradually disappear and from the 2nd quarter of 2012 we can see our results free of such encumbrances.

In the first quarter of 2011, we recorded revenues of $99 million, adjusted EBITDA of $65 million and $11.4 million adjusted net income, adjusted for certain non-cash charges, as well as costs related to the execution of our financing plan.

[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.

During this quarter, we experienced strengthening of the container charter market at the same time as box rates reversed some of the gains of 2010. The strengthening of the market came in the back of increasing competition for tonnage among liner companies who lost market share during the downturn. The competition for market share added to the influx of a number of post panamax vessels, which were already waiting for delivery in the new year and resulted in the box rate drop particularly in the Fareast-Europe trade. However, demand is strong and therefore we expect that through the high season utilization will increase and eventually restore box rates.

We have noticed significant speculative ordering of newbuildings this quarter, which although not alarming at the moment, should be closely observed. However, we remain quite optimistic for the next 24 months as the demand supply balance will be in the owners' favor.

Three months ended March 31, 2011 compared to the three months ended March 31, 2010

On January 24, 2011, we entered into a definitive agreement (the "Bank Agreement") with our lenders to restructure our existing debt obligations, other than our KEXIM and KEXIM-ABN Amro credit facilities, and to provide us approximately $425 million of new debt financing. We agreed to issue to the lenders under our Bank Agreement 15 million warrants to purchase, solely on a cashless exercise basis, shares of our common stock for an exercise price of $7.00 per share. We have issued 14,925,130 warrants and will issue the remaining 74,870 warrants upon the request of the applicable lender. All warrants issued, or to be issued, will expire on January 31, 2019. We have also agreed to register the warrants and underlying shares of common stock for resale under the Securities Act.

On February 21, 2011, we entered into a bank syndicate agreement, arranged by Citibank and led by the Export Import Bank of China ("CEXIM"), for financing of the remaining three vessels, Hull No. Z00002, Hull No. Z00003 and Hull No. Z00004, in our newbuilding program. CEXIM will provide the majority of the loan amount, with Citibank acting as an agent. The China Export & Credit Insurance Corporation, or Sinosure, has agreed to cover a number of risks associated with the credit facility.

In accordance with our Comprehensive Financing Plan, we are currently in an over-hedged position under our cash flow interest rate swaps, which is due to deferred progress payments to shipyards, cancellation of three newbuildings in 2010, replacements of variable interest rate debt with a fixed interest rate seller's financing and equity proceeds from our private placement in 2010, all of which reduced initial forecasted variable interest rate debt and resulted in notional cash flow interest rate swaps being above our variable interest rate debt eligible for hedging.

During the quarter ended March 31, 2011, Danaos had an average of 51.0 containerships compared to 41.5 containerships for the same period in 2010. Our fleet utilization was 96.7% in the first quarter of 2011.

Our adjusted net income was $11.4 million, or $0.10 per share, for the three months ended March 31, 2011 compared, to $17.6 million, or $0.32 per share, for the three months ended March 31, 2010, adjusted for a non-cash gain in fair value of derivatives of $9.8 million recorded in 2011 and a $22.5 million loss recorded in 2010, realized losses on swaps of $9.8 million attributable to our over-hedging position (as described above) recorded in 2011 compared to a $4.0 million loss in 2010, non-cash loss in fair value of warrants of $2.3 million recorded in 2011, as well as an expense of $3.7 million for fees related to our Comprehensive Financing Plan ($1.3 million amortization of bank fees, which were deferred and will be amortized over the life of the facilities, $0.3 million of finance fees accrued and $2.1 million of legal and advisory fees) recorded in 2011 compared to fees related to our Comprehensive Financing Plan of $1.0 million and amortization of bank fees of $0.3 million recorded in 2010, an impairment loss of $71.5 million in relation to the cancellation of three 6,500 TEU newbuilding containerships recorded in 2010 and a gain on sale of vessels of $1.9 million recorded in 2010.

Adjusted net income for the first quarter of 2011 decreased by 35.2%, or $6.2 million, compared to the three months ended March 31, 2010. The decrease is mainly attributable to increased realized losses on our interest rate swap contracts recorded during the three months ended March 31, 2011 compared to the same period of 2010, as well as increased interest expense due to higher average indebtedness in the first quarter of 2011 compared to the same period of 2010, which was partially offset by a reduced margin over LIBOR applicable to borrowings following our Bank Agreement (which was reset going forward to 1.85% for all our credit facilities under our Bank Agreement). On a non-adjusted basis

our net income was $5.4 million, or $0.05 per share, for the first quarter of 2011, compared to net loss of $79.8 million, or $1.46 loss per share, for the first quarter of 2010. Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

Operating Revenue
Operating revenue increased 24.2%, or $19.3 million, to $99.0 million in the three months ended March 31, 2011, from $79.7 million in the three months ended March 31, 2010. The increase was primarily attributable to the addition of ten vessels to our fleet, as follows:

Vessel Name	Vessel Size (TEU)	Date Delivered
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
Hanjin Algeciras	3,400	January 26, 2011
Hanjin Germany	10,100	March 10, 2011

These additions to our fleet contributed revenues of $23.2 million during the three months ended March 31, 2011. Moreover, a 6,500 TEU containership, the CMA CGM Musset, which was added to our fleet on March 12, 2010, contributed incremental revenues of $2.5 million during the three months ended March 31, 2011 compared to 2010. These revenues were offset in part by the sale of one 1,704 TEU containership, the MSC Eagle, on January 22, 2010, that had contributed revenues of $0.1 million for the three months ended March 31, 2010 compared to nil revenues in the three months ended March 31, 2011.

We also had a reduction in revenues of $6.3 million during the three months ended March 31, 2011, mainly attributable to re-chartering of vessels at reduced charter hire, as well as increased scheduled off-hire revenues in the three months ended March 31, 2011 compared to 2010, which was partially offset by fewer vessels being laid up by our charterers (90 days and 614 days in the first quarter of 2011 and 2010, respectively).

Vessel Operating Expenses
Vessel operating expenses increased 52.0%, or $9.1 million, to $26.6 million in the three months ended March 31, 2011, from $17.5 million in the three months ended March 31, 2010. The increase is mainly attributable to an increased average number of vessels in our fleet during the three months ended March 31, 2011 compared to the same period of 2010, as well as increased costs of certain vessels, which were on lay-up for 90 days in aggregate during the first quarter of 2011 compared to 614 days in the same period of 2010. The average daily operating cost per vessel increased to $6,162 for the three months ended March 31, 2011, from $5,627 for the three months ended March 31, 2010 (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 39.1%, or $6.3 million, to $22.4 million in the three months ended March 31, 2011, from $16.1 million in the three months ended March 31, 2010. The increase in depreciation expense was due to the increased average number of vessels in our fleet during the three months ended March 31, 2011 compared to the same period of 2010.

Amortization of Deferred Dry-docking and Special Survey Costs
Amortization of deferred dry-docking and special survey costs decreased 11.8%, or $0.2 million, to $1.5 million in the three months ended March 31, 2011, from $1.7 million in the three months ended March 31, 2010.

General and Administrative Expenses
General and administrative expenses decreased 14.8%, or $0.8 million, to $4.6 million in the three months ended March 31, 2011, from $5.4 million in the same period of 2010. The decrease was mainly the result of legal and advisory fees of $1.4 million recorded in 2010, which partially was offset by increased fees of $0.5 million to our Manager in the first quarter of 2011 compared to the same period of 2010, due to the increase in the average number of our vessels in our fleet.

Other Operating Expenses
Other Operating Expenses includes Voyage Expenses

Voyage Expenses
Voyage expenses increased 37.5%, or $0.6 million, to $2.2 million in the three months ended March 31, 2011, from $1.6 million in the three months ended March 31, 2010. The increase was the result of increased various voyage expenses, such as port, commission and other expenses due to the increased number of vessels in our fleet in the first quarter of 2011 compared to the same period of 2010.

Interest Expense and Interest Income
Interest expense increased by 34.1%, or $3.0 million, to $11.8 million in the three months ended March 31, 2011, from $8.8 million in the three months ended March 31, 2010. The change in interest expense was due to the increase in our average debt by $257.0 million, to $2,599.3 million in the quarter ended March 31, 2011, from $2,342.3 million in the quarter ended March 31, 2010, which was partially offset by the decrease in the margin over LIBOR payable on interest under our credit facilities in the three months ended March 31, 2011 compared to the three months ended March 31, 2010, in accordance with our Comprehensive Financing Plan, which sets the margin at 1.85% (in relation to our credit facilities under our Bank Agreement). Furthermore, the financing of our extensive newbuilding program resulted in interest capitalization, rather than such interest being recognized as an expense, of $5.9 million for the three months ended March 31, 2011 compared to $7.2 million of capitalized interest for the three months ended March 31, 2010.

Interest income increased by $0.1 million, to $0.3 million in the three months ended March 31, 2011, from $0.2 million in the three months ended March 31, 2010. The increase in interest income is attributable to increased interest rates to which our cash balances were subject during the three months ended March 31, 2011 compared to the three months ended March 31, 2010, which was partially offset by lower average cash balances in the three months ended March 31, 2011 compared to 2010.

Other income/(expenses), net
Other income/(expenses), net, was an expense of $1.9 million in the three months ended March 31, 2011, from nil in the three months ended March 31, 2010. The increase of expense is mainly attributable to legal and advisory fees of $2.1 million directly related to our Comprehensive Financing Plan, which were recorded during the three months ended March 31, 2011.

Other finance costs, net
Other finance costs, net, increased by $3.9 million, to $4.4 million in the three months ended March 31, 2011, from $0.5 million in the three months ended March 31, 2010. The increase is mainly attributable to amortization of finance fees of $1.3 million (which were deferred and will be amortized over the life of the respective credit facilities) and $0.3 million of finance fees accrued for the first quarter of 2011 related to our Comprehensive Financing Plan, as well as an expense of $2.3 million recorded in the first quarter of 2011 due to non-cash changes in fair value of warrants, (for the period up to March 29, 2011 when the exercise price of the warrants was increased to $7.00 per share from the initial exercise price of $6.00 per share).

Loss on fair value of derivatives
Loss on fair value of derivatives, decreased by $ 20.2 million, to a loss of $18.3 million in the three months ended March 31, 2011, from a loss of $38.5 million in the same period of 2010. The decrease is mainly attributed to non-cash gain in fair value of interest rate swaps of $9.8 million recorded in the three months ended March 31, 2011, due to hedge accounting ineffectiveness, compared to $22.5 million loss in the three months ended March 31, 2010. There was also a realized loss on interest rate swap hedges of $28.1 million recorded during the three months ended March 31, 2011, which is mainly attributed to the higher average notional amount of swaps and the reduced LIBOR payable on

our credit facilities (subject to variable interest rates) against the LIBOR fixed through such swaps, compared to a $16.0 million realized loss in the three months ended March 31, 2010.

In addition, realized losses on cash flow hedges of $9.9 million and $11.7 million in the three months ended March 31, 2011 and 2010, 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 March 31, 2011 and 2010:

	Three months ended March 31, 2011		Three months ended March 31, 2010	
	(in millions)			
Gain/(loss) on non-cash changes in fair value of swaps		$9.8		$(22.5)
Total realized losses of swaps	(38.0)		(27.7)	
Realized losses of swaps deferred in OCI	9.9		11.7	
Realized losses of swaps expensed in P&L		(28.1)		(16.0)
Loss on fair value of derivatives		**$(18.3)**		**$(38.5)**

Adjusted EBITDA

Adjusted EBITDA increased by $9.2 million, or 16.4%, to $65.2 million in the three months ended March 31, 2011, from $56.0 million in the three months ended March 31, 2010. Adjusted EBITDA mainly excludes a non-cash gain in fair value of derivatives of $9.8 million recorded in 2011 and a $22.5 million loss recorded in 2010, realized losses on derivatives of $28.1 million recorded in 2011 compared to $16.0 million in 2010, non-cash loss in fair value of warrants of $2.3 million loss recorded in 2011, as well as an expense of $3.7 million for fees related to our Comprehensive Financing Plan ($1.3 million of amortization of bank fees, which were deferred and will be amortized over the life of the facilities, $0.3 million of finance fees accrued and $2.1 million of other legal and advisory fees) recorded in 2011 compared to $1.0 million recorded in 2010, impairment loss of $71.5 million in relation to the cancellation of three 6,500 TEU newbuilding containerships recorded in 2010 and a gain on sale of vessels of $1.9 million recorded in 2010. Tables reconciling Adjusted EBITDA to Net (Loss) / Income can be found at the end of this earnings release.

Recent News

On April 6, 2011, the Company took delivery of the newbuilding 10,100 TEU vessel, the Hanjin Italy. The vessel has been deployed on a 12-year time charter with one of the world's major liner companies.

On April 15, 2011, the Company took delivery of the newbuilding 3,400 TEU vessel, the Hanjin Constantza. The vessel has been deployed on a 10-year time charter with the same major liner company as Hanjin Italy.

On May 4, 2011, the Company took delivery of the newbuilding 10,100 TEU vessel, the Hanjin Greece. 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, May 5, 2011 at 9:00 A.M. EDT, the Company's management will host a conference call to discuss the results.

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 May 12, 2011 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#

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 55 containerships aggregating 257,029 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 10 additional containerships aggregating 105,650 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 31 unscheduled off-hire days in total in the first quarter of 2011. 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 2010	Third Quarter 2010	Fourth Quarter 2010	First Quarter 2011	Total
Ownership Days	3,945	4,408	4,590	4,587	**17,530**
Less Off-hire Days:					
Scheduled Off-hire Days	—	(138)	(41)	(119)	**(298)**
Other Off-hire Days	(64)	—	(26)	(31)	**(121)**
Operating Days	**3,881**	**4,270**	**4,523**	**4,437**	**17,111**
Vessel Utilization	**98.4%**	**96.9%**	**98.5%**	**96.7%**	**97.6%**

Revenue - Impact of Off-hire (in '000s of US Dollars)	Second Quarter 2010	Third Quarter 2010	Fourth Quarter 2010	First Quarter 2010	Total
100% Fleet Utilization	$86,009	$94,758	$101,051	$101,454	**$383,272**
Less Off-hire Days:					
Scheduled Off-hire Days	—	(171)	—	(1,518)	**(1,689)**
Other Off-hire Days	(1,063)	—	(566)	(947)	**(2,576)**
Actual Revenue Earned	**$84,946**	**$94,587**	**$100,485**	**$98,989**	**$379,007**

Fleet List

The following table describes in detail our fleet deployment profile as of May 4, 2011.

Vessel Name	Vessel Size (TEU)	Year Built	Expiration of Charter[1]
Containerships			
Hanjin Italy	10,100	2011	April 2023
Hanjin Germany	10,100	2011	March 2023
Hanjin Greece	10,100	2011	May 2023
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
Messologi [5]	4,814	1991	September 2011
Maersk Mytilini	4,814	1991	September 2011
Hyundai Commodore [6]	4,651	1992	March 2013
Hyundai Duke	4,651	1992	February 2013
Hyundai Federal [7]	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 [8]	4,253	2004	February 2014
Deva [9]	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[10]	3,908	1989	January 2012
YM Yantian	3,908	1989	July 2011
Hanjin Constantza	3,400	2011	February 2021
Hanjin Algeciras	3,400	2011	November 2020
Hanjin Buenos Aires	3,400	2010	March 2020
Hanjin Santos	3,400	2010	May 2020
Hanjin Versailles	3,400	2010	August 2020
SCI Pride[11]	3,129	1988	July 2012
Lotus[12]	3,098	1988	June 2011
Independence[13]	3,045	1986	October 2011
Henry[14]	3,039	1986	July 2011
Jiangsu Dragon [15]	2,917	1991	June 2011
California Dragon[16]	2,917	1991	June 2011
Shenzhen Dragon [17]	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	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 [18]	2,130	1984	March 2012

(1) Earliest date charters could expire. Some charters include options to extend their terms.
(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 15, 2011, the *Maersk Messologi* was renamed to *Messologi* at the request of the charterer of this vessel.
(6) On April 2, 2009, the *MOL Affinity* was renamed to *Hyundai Commodore* at the request of the charterer of this vessel.
(7) On May 12, 2009, the *APL Confidence* was renamed to *Hyundai Federal* at the request of the charterer of this vessel.
(8) On April 29, 2009, the *Derby* was renamed to *Bunga Raya Tiga* at the request of the charterer of this vessel.
(9) On October 7, 2010, the *Bunga Raya Tujuh* was renamed to *Deva* at the request of the charterer of this vessel.
(10) On January 31, 2011, the *Al Rayan* was renamed to *Honour* at the request of the charterer of this vessel.
(11) On August 18, 2010, the *YM Milano* was renamed to *SCI Pride* at the request of the charterer of this vessel.
(12) On July 24, 2010, the *CMA CGM Lotus* was renamed to *Lotus* at the request of the charterer of this vessel.
(13) On October 18, 2010, the *CMA CGM Vanille* was renamed to *Independence* at the request of the charterer of this vessel
(14) On May 13, 2010, the *CMA CGM Passiflore* was renamed to *Henry* at the request of the charterer of this vessel.
(15) On July 7, 2010, the *CMA CGM Elbe* was renamed to *Jiangsu Dragon* at the request of the charterer of this vessel.
(16) On July 20, 2010, the *CMA CGM Kalamata* was renamed to *California Dragon* at the request of the charterer of this vessel.
(17) On June 26, 2010, the *CMA CGM Komodo* was renamed to *Shenzhen Dragon* at the request of the charterer of this vessel.
(18) 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 Z00001	8,530	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
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.

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

	Three months ended March 31, 2011 (Unaudited)	Three months ended March 31, 2010 (Unaudited)
OPERATING REVENUES	**$98,989**	**$79,659**
OPERATING EXPENSES		
Vessel operating expenses	(26,602)	(17,546)
Depreciation & amortization	(23,966)	(17,801)
General & administrative	(4,629)	(5,372)
Gain on sale of vessels	—	1,916
Impairment loss	—	(71,509)
Other operating expenses	(2,218)	(1,586)
Income/(Loss) from Operations	**41,574**	**(32,239)**
OTHER INCOME (EXPENSES)		
Interest income	353	249
Interest expense	(11,848)	(8,776)
Other finance cost, net	(4,427)	(490)
Other income/(expenses), net	(1,920)	(13)
Loss on fair value of derivatives	(18,289)	(38,496)
Total Other Income (Expenses), net	**(36,131)**	**(47,526)**
Net Income/(Loss)	**$5,443**	**$(79,765)**
EARNINGS PER SHARE		
Basic and diluted net income/(loss) per share	$0.05	$(1.46)
Basic and diluted weighted average number of common shares (in thousands of shares)	108,611	54,549

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

	Three months ended March 31, 2011	Three months ended March 31, 2010
Net income/(loss)	$5,443	$(79,765)
Loss in fair value of derivatives	18,289	38,496
Realized loss on derivatives	(28,109)	(16,046)
Realized loss on over-hedging portion of derivatives	9,769	4,002
Comprehensive Financing Plan related fees	2,089	1,048
Amortization of financing fees and finance fees accrued	1,620	320
Loss on fair value of warrants	2,253	—
Impairment loss	—	71,509
Gain on sale of vessels	—	(1,916)
Adjusted Net Income	**$11,354**	**$17,648**
Adjusted Earnings Per Share	**$0.10**	**$0.32**
Weighted average number of shares	108,611	54,549

* 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 Table above for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three months ended March 31, 2011 and 2010. 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 March 31, 2011 (Unaudited)	As of December 31, 2010 (Unaudited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$131,850	$229,835
Restricted cash, current portion	95	2,907
Accounts receivable, net	3,500	4,112
Other current assets	31,705	29,976
	167,150	266,830
NON-CURRENT ASSETS		
Fixed assets, net	2,465,752	2,273,483
Advances for vessels under construction	824,973	904,421
Deferred charges, net	109,953	24,692
Fair value of financial instruments	3,858	4,465
Other non-current assets	17,639	15,239
	3,422,175	3,222,300
TOTAL ASSETS	**3,589,325**	**3,489,130**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Long-term debt, current portion	21,619	21,619
Accounts payable, accrued liabilities & other current liabilities	63,663	95,131
Fair value of financial instruments, current portion	134,507	129,747
	219,789	246,497
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	2,630,939	2,543,907
Fair value of financial instruments, net of current portion	255,136	302,162
Other long-term liabilities	8,658	4,152
	2,894,733	2,850,221
STOCKHOLDERS' EQUITY		
Common stock	1,086	1,086
Additional paid-in capital	543,735	489,672
Treasury stock	—	(3)
Accumulated other comprehensive loss	(413,684)	(436,566)
Retained earnings	343,666	338,223
	474,803	392,412
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$3,589,325**	**$3,489,130**

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

	Three months ended March 31, 2011 (Unaudited)	Three months ended March 31, 2010 (Unaudited)
Operating Activities:		
Net income/(loss)	$5,443	$(79,765)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	22,436	16,061
Impairment losses	—	71,509
Amortization of deferred charges and finance fees accrued	3,150	2,060
Stock based compensation	23	27
Payments for drydocking / special survey	(4,902)	(258)
Change in fair value of warrants	2,253	—
Change in fair value of financial instruments	(19,730)	10,713
Gain on sale of vessels	—	(1,916)
Accounts receivable	612	(814)
Other assets, current and non-current	(4,129)	(2,165)
Accounts payable and accrued liabilities	(19,278)	(1,245)
Other liabilities, current and non-current	(1,407)	1,565
Net Cash (used)/provided by Operating Activities	**(15,529)**	**15,772**
Investing Activities:		
Vessels under construction	(121,322)	(75,631)
Net proceeds from sale of vessels	—	1,764
Net Cash used in Investing Activities	**(121,322)**	**(73,867)**
Financing Activities:		
Debt draw downs	98,238	57,860
Debt repayment	(31,967)	(19,892)
Treasury stock	—	(50)
Deferred costs	(30,217)	—
Decrease in restricted cash	2,812	2,812
Net Cash provided by Financing Activities	**38,866**	**40,730**
Net Decrease in cash and cash equivalents	(97,985)	(17,365)
Cash and cash equivalents, beginning of period	229,835	122,050
Cash and cash equivalents, end of period	**$131,850**	**$104,685**

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

	Three months ended March 31, 2011	Three months ended March 31, 2010
	(Unaudited)	
Net income/(loss)	$5,443	$(79,765)
Depreciation	22,436	16,061
Amortization of deferred drydocking & special survey costs	1,530	1,740
Amortization of deferred finance costs	1,620	320
Interest income	(353)	(249)
Interest expense	11,848	8,776
Impairment loss	—	71,509
Gain on sale of vessels	—	(1,916)
Comprehensive Financing Plan related fees[(1)]	2,089	1,048
Stock based compensation[(2)]	23	27
Realized loss on derivatives	28,109	16,046
Non-cash changes in fair value of derivatives	(9,820)	22,450
Non-cash changes in fair value of warrants	2,253	—
Adjusted EBITDA[(3)]	**$65,178**	**$56,047**

1) Fees related to our Comprehensive Financing Plan, of which $2.1 million and $1.0 million for the three months ended March 31, 2011 and 2010, respectively, were recorded in “Other income/(expense), net” and “General and administrative expenses”, respectively.

2) Stock based compensation expense was recorded in “General and administrative expenses”.

3) 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 and warrants, realized gain/(loss) on derivatives, 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 months ended March 31, 2011 and 2010. 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.