World – Class Shipping, Leading – Edge Expertise

DANAOS CORPORATION

Danaos Corporation Reports Second Quarter and Half Year Results for the Period Ended June 30, 2011.

Athens, Greece, July 25, 2011 – Danaos Corporation ("Danaos") (NYSE: DAC), a leading international owner of containerships, today reported unaudited results for the period ended June 30, 2011.

Highlights for the Second Quarter and Half Year Ended June 30, 2011:

- **During the second quarter of 2011, we took delivery and deployed three newly built containerships with an aggregate carrying capacity of 23,600 TEU.**
- **Operating revenues of $114.8 million and $213.8 million for the three and six months ended June 30, 2011, respectively.**
- **Adjusted net income[1] of $16.1 million or $0.15 per share and $27.5 million or $0.25 per share for the three and six months ended June 30, 2011.**
- **Adjusted EBITDA[1] of $78.4 million and $143.6 million for the three and six months ended June 30, 2011.**

Three and Six Months Ended June 30, 2011
Financial Summary
(Expressed in thousands of United States dollars, except per share amounts):

	Three months ended June 30, 2011	Three months ended June 30, 2010	Six months ended June 30, 2011	Six months ended June 30, 2010
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Operating revenues	$114,764	$84,946	$213,753	$164,605
Net (loss)/income	$(231)	$(14,665)	$5,212	$(94,429)
Adjusted net income	$16,102	$17,189	$27,456	$34,837
Earnings/(losses) per share	$0.00	$(0.27)	$0.05	$(1.73)
Adjusted earnings per share	$0.15	$0.32	$0.25	$0.64
Weighted average number of shares (in thousands)	108,975	54,556	108,794	54,552
Adjusted EBITDA[1]	$78,448	$59,425	$143,626	$115,473

Danaos' CEO Dr. John Coustas commented:

This quarter we continued with the delivery of our contracted fleet and have reached 56 vessels of 265,559 TEU capacity and quickly heading towards the completion of our newbuilding program. In terms of financial results, we see a steady increase quarter on quarter in our net income as the new ships come on stream despite the one off items, which still drag down our performance.

In this quarter, we recorded revenues of $114.8 million, adjusted EBITDA of $78.4 million and adjusted net income of $16.1 million, adjusted for non-cash charges and certain non-recurring items.

During the quarter, we saw continuing erosion of the box rates, which in the end affected also the charter rates and some weakening was experienced due to charterers subletting vessels and the suspension of a number of Transpacific and Fareast-Europe services.

[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.

On the newbuilding front, ordering of vessels mainly by the financially strong liner companies continued for larger vessels and this will weigh negatively on the pricing power, which they may achieve from 2013 onwards.

Overall, the longer term health of the market will be determined by the demand characteristics, which relate to the growth of the western and world economy.

Three months ended June 30, 2011 compared to the three months ended June 30, 2010

During the quarter ended June 30, 2011, Danaos had an average of 54.4 containerships compared to 43.4 containerships for the same period in 2010. During the second quarter of 2011, we took delivery of three vessels, the Hanjin Italy, on April 6, 2011, the Hanjin Constantza, on April 15, 2011 and the Hanjin Greece, on May 4, 2011. Our fleet utilization was reduced to 97.4% in the three months ended June 30, 2011 compared to 98.4% in the same period of 2010, due to an increase in the scheduled off-hire days in the second quarter of 2011.

Our adjusted net income was $16.1 million, or $0.15 per share, for the three months ended June 30, 2011 compared, to $17.2 million, or $0.32 per share, for the three months ended June 30, 2010, adjusted for a non-cash loss in fair value of derivatives of $3.3 million recorded in the three months ended June 30, 2011 and a $22.3 million loss recorded in the corresponding quarter of 2010, realized losses on swaps of $10.2 million attributable to our over-hedging position (as described below) recorded in the second quarter of 2011 compared to a $8.4 million loss in the same period of 2010, as well as an expense of $2.8 million for fees related to our Comprehensive Financing Plan ($2.6 million of non-cash, amortizing and accrued finance fees and $0.2 million of legal fees) recorded in 2011 compared to fees related to our Comprehensive Financing Plan of $0.9 million and non-cash amortization of finance fees of $0.3 million recorded in 2010.

The decrease of 6.4%, or $1.1 million, in the adjusted net income for the three months ended June 30, 2011 compared to the three months ended June 30, 2010 was mainly attributable to increased realized losses on our interest rate swap contracts recorded during the three months ended June 30, 2011 compared to the same period of 2010, as well as increased interest expense due to higher average indebtedness in the second quarter of 2011 compared to the same period of 2010, which was partially offset by a reduced margin over LIBOR applicable to borrowings following the effectiveness of the agreement with our lenders to restructure existing indebtedness in the first quarter of 2011 (“Bank Agreement”), which was reset to 1.85% for all our credit facilities under the Bank Agreement, further offset by increased Income from Operations.

On a non-adjusted basis our net loss was $0.2 million, or $0.00 per share, for the second quarter of 2011, compared to net loss of $14.7 million, or $0.27 per share, for the second quarter of 2010. Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

As a result of 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, the replacement 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 initially forecasted variable interest rate debt and resulted in notional cash flow interest rate swaps being above our variable interest rate debt eligible for hedging.

Operating Revenue

Operating revenue increased 35.2%, or $29.9 million, to $114.8 million in the three months ended June 30, 2011, from $84.9 million in the three months ended June 30, 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 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
Hanjin Italy	10,100	April 6, 2011
Hanjin Constantza	3,400	April 15, 2011
Hanjin Greece	10,100	May 4, 2011

These additions to our fleet contributed revenues of $29.1 million during the three months ended June 30, 2011. Moreover, two 6,500 TEU containerships, the CMA CGM Nerval and the YM Mandate, which were added to our fleet on May 17, 2010 and May 19, 2010, respectively, and one 3,400 TEU containership, the Hanjin Buenos Aires, which was added to our fleet on May 27, 2010, contributed incremental revenues of $4.2 million during the three months ended June 30, 2011 compared to the corresponding quarter of 2010.

In addition, $3.4 million reduction in revenues during the three months ended June 30, 2011 compared to the same period of 2010 was mainly attributable to re-chartering of certain vessels at reduced charter hire rates in the second half of 2010, which was partially offset by higher re-chartering of certain vessels at increased charter hire rates in the first half of 2011. Furthermore, scheduled off-hire revenues days were increased in the three months ended June 30, 2011 compared to the same period of 2010.

Vessel Operating Expenses
Vessel operating expenses increased 55.9%, or $10.5 million, to $29.3 million in the three months ended June 30, 2011, from $18.8 million in the three months ended June 30, 2010. The increase is mainly attributable to the increased average number of vessels in our fleet during the three months ended June 30, 2011 compared to the same period of 2010, as well as incremental costs with respect to certain vessels, which were on lay-up for 15 days in aggregate during the second quarter of 2011 compared to 477 days in the same period of 2010. The average daily operating cost per vessel increased to $6,166 for the three months ended June 30, 2011, from $5,477 for the three months ended June 30, 2010 (excluding those vessels on lay-up). The increase is mainly attributable to the increased lubricant expenses following the increase of the crude oil prices in the three months ended June 30, 2011 compared to the same period of 2010, as well as upward cost pressure on Euro denominated costs resulting from the weaker US Dollar and the repair and maintenance expenses related to the higher number of drydockings in the three months ended June 30, 2011 compared to the same period of 2010.

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

Depreciation
Depreciation expense increased 46.9%, or $8.3 million, to $26.0 million in the three months ended June 30, 2011, from $17.7 million in the three months ended June 30, 2010. The increase in depreciation expense was due to the increased average number of vessels in our fleet during the three months ended June 30, 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 increased 5.9%, or $0.1 million, to $1.8 million in the three months ended June 30, 2011, from $1.7 million in the three months ended June 30, 2010.

General and Administrative Expenses
General and administrative expenses decreased 17.5%, or $1.0 million, to $4.7 million in the three months ended June 30, 2011, from $5.7 million in the same period of 2010. The decrease was mainly the result of reduced legal and advisory fees of $1.6 million recorded in the three months ended June 30, 2011 compared to the same period of 2010, which partially was offset by increased fees of $0.6 million to our Manager in the second 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 23.5%, or $0.4 million, to $2.1 million in the three months ended June 30, 2011, from $1.7 million in the three months ended June 30, 2010. The increase was the result of increased voyage expenses, such as port, commission and other voyage expenses, due to the increased number of vessels in our fleet in the second quarter of 2011 compared to the same period of 2010.

Interest Expense and Interest Income
Interest expense increased by 32.7%, or $3.2 million, to $13.0 million in the three months ended June 30, 2011, from $9.8 million in the three months ended June 30, 2010. The change in interest expense was due to the increase in our average debt by $494.8 million, to $2,791.9 million in the quarter ended June 30, 2011, from $2,297.1 million in the quarter ended June 30, 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 June 30, 2011 compared to the three months ended June 30, 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 $3.8 million for the three months ended June 30, 2011 compared to $6.7 million of capitalized interest for the three months ended June 30, 2010.

Interest income increased by $0.1 million, to $0.3 million in the three months ended June 30, 2011, from $0.2 million in the three months ended June 30, 2010.

Other finance costs, net
Other finance costs, net, increased by $2.3 million, to $2.9 million in the three months ended June 30, 2011, from $0.6 million in the three months ended June 30, 2010. The increase is mainly attributable to increased amortization of finance fees of $1.9 million (which were deferred and will be amortized over the life of the respective credit facilities) and $0.4 million of finance fees accrued for the second quarter of 2011 related to our Comprehensive Financing Plan.

Other income/(expenses), net
Other income/(expenses), net, was an expense of $0.2 million in the three months ended June 30, 2011, from a gain of $0.1 million in the three months ended June 30, 2010. The increase of expense is mainly attributable to fees of $0.2 million directly related to our Comprehensive Financing Plan, which were recorded during the three months ended June 30, 2011.

Loss on fair value of derivatives
Loss on fair value of derivatives was reduced by $8.5 million, to a loss of $35.4 million in the three months ended June 30, 2011, from a loss of $43.9 million in the same period of 2010. The decrease is mainly attributable to a non-cash loss in fair value of interest rate swaps of $3.3 million recorded in the three months ended June 30, 2011, due to hedge accounting ineffectiveness, compared to $22.3 million loss in the three months ended June 30, 2010. There was also a realized loss on interest rate swap hedges of $32.1 million recorded during the three months ended June 30, 2011, which is mainly attributable to the higher average notional amount of swaps and the persisting low floating LIBOR rates, compared to a $21.6 million realized loss in the three months ended June 30, 2010.

In addition, realized losses on cash flow hedges of $8.0 million and $10.1 million in the three months ended June 30, 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 June 30, 2011 and 2010:

	Three months ended June 30, 2011		Three months ended June 30, 2010	
	(in millions)			
Loss on non-cash changes on fair value of swaps		$(3.3)		$(22.3)
Total realized losses of swaps	(40.1)		(31.7)	
Realized losses of swaps deferred in OCI	8.0		10.1	
Realized losses of swaps expensed in P&L		(32.1)		(21.6)
Loss on fair value of derivatives		**$(35.4)**		**$(43.9)**

Adjusted EBITDA

Adjusted EBITDA increased 32.0%, or $19.0 million, to $78.4 million in the three months ended June 30, 2011, from $59.4 million in the three months ended June 30, 2010. Adjusted EBITDA excludes a non-cash loss in fair value of derivatives of $3.3 million recorded in the three months ended June 30, 2011 and a $22.3 million loss recorded in the same period of 2010, realized losses on derivatives of $32.1 million recorded in 2011 compared to $21.6 million in 2010, as well as an expense of $2.8 million for fees related to our Comprehensive Financing Plan ($2.6 million of non-cash, amortizing and accrued finance fees and $0.2 million of other legal fees) recorded in 2011 compared to $1.2 million recorded in 2010 ($0.3 million of non-cash amortization of finance fees and $0.9 million of legal and advisory fees). Tables reconciling Adjusted EBITDA to Net (Loss)/Income can be found at the end of this earnings release.

Six months ended June 30, 2011 compared to the six months ended June 30, 2010

During the six months ended June 30, 2011, Danaos had an average of 52.7 containerships as compared to 42.4 containerships for the same period of 2010. Our fleet utilization was reduced to 97.1% in the six months ended June 30, 2011 compared to 99.0% in the same period of 2010, mainly due to the increased scheduled off-hire days.

Our adjusted net income was $27.5 million, or $0.25 per share, for the six months ended June 30, 2011 compared to $34.8 million, or $0.64 per share, for the six months ended June 30, 2010, adjusted for a non-cash gain in fair value of derivatives of $6.5 million recorded in the six months ended June 30, 2011 and a $44.8 million loss recorded in the same period of 2010, realized losses on swaps of $19.9 million attributable to our over-hedging position recorded in 2011 compared to a $12.4 million loss in 2010, as well as an expense of $8.8 million for fees related to our Comprehensive Financing Plan ($4.2 million of non-cash, amortizing and accrued finance fees, a non-cash loss in fair value of warrants of $2.3 million recorded in 2011 and $2.3 million of legal and advisory fees) recorded in 2011 compared to legal and advisory fees related to our Comprehensive Financing Plan of $1.9 million and non-cash amortization of finance fees of $0.7 million recorded in 2010, as well as an impairment loss of $71.5 million in relation to the cancellation of three 6,500 TEU newbuilding containerships and a gain on sale of vessels of $1.9 million recorded in the six months ended June 30, 2010.

The decrease of 21.0%, or $7.3 million, in adjusted net income for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 was mainly attributable to increased realized losses on our interest rate swap contracts recorded in our Statement of Income during the six months ended June 30, 2011 compared to the same period of 2010, as well as increased interest expense due to higher average indebtedness in the first six months 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 to 1.85% for all our credit facilities under our Bank Agreement), further offset by increased Income from Operations.

On a non-adjusted basis, our net income was $5.2 million, or $0.05 per share, for the six months ended June 30, 2011, compared to net loss of $94.4 million, or $1.73 per share, for the six months ended June 30, 2010. Refer to the Adjusted Net Income reconciliation table in the last page of this earning release.

Operating Revenue
Operating revenue increased 29.9%, or $49.2 million, to $213.8 million in the six months ended June 30, 2011, from $164.6 million in the six months ended June 30, 2010. The increase was primarily attributable to the addition to our fleet of ten vessels, as follows:

Vessel Name	Vessel Size (TEU)	Date Delivered
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
Hanjin Italy	10,100	April 6, 2011
Hanjin Constantza	3,400	April 15, 2011
Hanjin Greece	10,100	May 4, 2011

These additions to our fleet contributed revenues of $44.9 million during the six months ended June 30, 2011. Moreover, three 6,500 TEU containerships, the CMA CGM Musset, the CMA CGM Nerval and the YM Mandate, which were added to our fleet on March 12, 2010, May 17, 2010 and May 19, 2010, respectively, and one 3,400 TEU containership, the Hanjin Buenos Aires, which was added to our fleet on May 27, 2010, contributed incremental revenues of $14.1 million during the six months ended June 30, 2011 compared to the same period of 2010. These revenues were offset in part by the sale of one 1,704 TEU containership, the MSC Eagle, on January 22, 2010, that contributed nil revenues in the six months ended June 30, 2011 compared to $0.1 million of revenues in the six months ended June 30, 2010.

In addition, $ 9.7 million reduction in revenues during the six months ended June 30, 2011 compared to the same period of 2010 was mainly attributable to re-chartering of certain vessels at reduced charter hire rates in the second half of 2010, which was partially offset by higher re-chartering of certain vessels at increased charter hire rates in the first half of 2011. Furthermore, scheduled off-hire revenues days were increased in the six months ended June 30, 2011 compared to the same period of 2010.

Vessel Operating Expenses
Vessel operating expenses increased 54.0%, or $19.6 million, to $55.9 million in the six months ended June 30, 2011, from $36.3 million in the six months ended June 30, 2010. The increase is mainly attributable to the increased average number of vessels in our fleet during the six months ended June 30, 2011 compared to the same period of 2010, as well as incremental costs of certain vessels, which were on lay-up for 105 days in aggregate during the six months ended June 30, 2011 compared to 1,091 days in the same period of 2010. The average daily operating cost per vessel increased to $6,164 for the six months ended June 30, 2011, from $5,549 for the six months ended June 30, 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 43.2%, or $14.6 million, to $48.4 million in the six months ended June 30, 2011, from $33.8 million in the six months ended June 30, 2010. The increase in depreciation expense was due to the increased average number of vessels in our fleet during the six months ended June 30, 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 5.7%, or $0.2 million, to $3.3 million in the six months ended June 30, 2011, from $3.5 million in the six months ended June 30, 2010. The decrease reflects reduced drydocking costs incurred and amortized during the six months ended June 30, 2011 compared to the same period of 2010.

General and Administrative Expenses
General and administrative expenses decreased 16.2%, or $1.8 million, to $9.3 million in the six months ended June 30, 2011, from $11.1 million in the same period of 2010. The decrease was mainly the result of reduced legal and advisory fees by $3.1 million recorded in 2010, which partially was offset by increased fees of $1.1 million to our Manager in the six months ended June 30, 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 30.3%, or $1.0 million, to $4.3 million in the six months ended June 30, 2011, from $3.3 million for the six months ended June 30, 2010. The increase was the result of increased voyage expenses, such as port, commission and other voyage expenses due to the increased number of vessels in our fleet in the six months ended June 30, 2011 compared to the same period of 2010.

Interest Expense and Interest Income
Interest expense increased 34.1%, or $6.3 million, to $24.8 million in the six months ended June 30, 2011, from $18.5 million in the six months ended June 30, 2010. The change in interest expense was due to the increase in our average debt by $376.6 million, to $2,696.2 million in the six months ended June 30, 2011, from $2,319.6 million in the six months ended June 30, 2010, which was partially offset by the decrease in the margin over LIBOR payable on interest under our credit facilities in the six months ended June 30, 2011 compared to the six months ended June 30, 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 $9.7 million for the six months ended June 30, 2011 compared to $13.9 million of capitalized interest for the six months ended June 30, 2010.

Interest income increased by $0.1 million, to $0.6 million in the six months ended June 30, 2011, from $0.5 million in the six months ended June 30, 2010.

Other finance costs, net
Other finance costs, net, increased by $6.2 million, to $7.3 million in the six months ended June 30, 2011, from $1.1 million in the six months ended June 30, 2010. The increase is mainly attributable to increased amortization of finance fees of $2.9 million (which were deferred and are amortized over the life of the respective credit facilities), a non-cash loss in fair value of warrants of $2.3 million and $0.7 million of finance fees accrued for the first half of 2011 related to our Comprehensive Financing Plan.

Other income/(expenses), net
Other income/(expenses), net, was an expense of $2.1 million in the six months ended June 30, 2011, from a gain of $0.1 million in the six months ended June 30, 2010. The increase in expense is mainly attributable to fees of $2.3 million directly related to our Comprehensive Financing Plan, which were recorded during the six months ended June 30, 2011.

Loss on fair value of derivatives
Loss on fair value of derivatives, decreased by $28.7 million, to a loss of $53.7 million in the six months ended June 30, 2011, from a loss of $82.4 million in the same period of 2010. The decrease is mainly attributable to a non-cash gain in fair value of interest rate swaps of $6.5 million recorded in the six months ended June 30, 2011, due to hedge accounting ineffectiveness, compared to $44.8 million loss in the six months ended June 30, 2010. There was also a realized loss on interest rate swap hedges of $60.2 million recorded in the six months ended June 30, 2011, which is mainly attributable to the higher average notional amount of swaps and the persisting low floating LIBOR rates, compared to a $37.6 million realized loss in the six months ended June 30, 2010.

In addition, realized losses on cash flow hedges of $17.9 million and $21.8 million in the six months ended June 30, 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 six months ended June 30, 2011 and 2010:

	Six months ended June 30, 2011		Six months ended June 30, 2010	
	(in millions)			
Gain/(loss) on non-cash changes on fair value of swaps		$6.5		$(44.8)
Total realized losses of swaps	(78.1)		(59.4)	
Realized losses of swaps deferred in OCI	17.9		21.8	
Realized losses of swaps expensed in P&L		(60.2)		(37.6)
Loss on fair value of derivatives		**$(53.7)**		**$(82.4)**

Adjusted EBITDA

Adjusted EBITDA increased by $28.1 million, or 24.3%, to $143.6 million in the six months ended June 30, 2011, from $115.5 million in the six months ended June 30, 2010. Adjusted EBITDA mainly excludes a non-cash gain in fair value of derivatives of $6.5 million recorded in 2011 and a $44.8 million loss recorded in 2010, realized losses on derivatives of $60.2 million recorded in 2011 compared to $37.6 million in 2010, as well as an expense of $8.8 million for fees related to our Comprehensive Financing Plan ($4.2 million of non-cash, amortizing and accrued finance fees, a non-cash loss in fair value of warrants of $2.3 million and $2.3 million of legal and advisory fees) recorded in the six months ended June 30, 2011 compared to $2.6 million recorded in the same period of 2010 ($0.7 million of non-cash amortization of finance fees and $1.9 million of fees related to our Comprehensive Financing Plan). Tables reconciling Adjusted EBITDA to Net (Loss) / Income can be found at the end of this earnings release.

Recent News

On July 8, 2011, the Company took delivery of the newbuilding 8,530 TEU vessel, the CMA CGM Attila. The vessel has been deployed on a 12-year time charter with one of the world's major liner companies.

The Board of Directors of the Company has appointed Mr. Evangelos Chatzis to the position of Chief Financial Officer, effective July 22, 2011.

Conference Call and Webcast

On Tuesday, July 26, 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 August 2, 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 56 containerships aggregating 265,559 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 9 additional containerships aggregating 99,620 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 safe harbor 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

For further information please contact:

Company Contact:

Evangelos Chatzis
Chief Financial Officer
Danaos Corporation
Athens, Greece
Tel.: +30 210 419 6480
E-Mail: **cfo@danaos.com**

Iraklis Prokopakis
Senior Vice President and Chief Operating Officer
Danaos Corporation
Athens, Greece
Tel.: +30 210 419 6400
E-Mail: **coo@danaos.com**

Investor Relations and Financial Media
Nicolas Bornozis
President
Capital Link, Inc.
New York
Tel. 212-661-7566
E-Mail: **danaos@capitallink.com**

Appendix

Fleet Utilization

Danaos had 42 unscheduled off-hire days in total in the second 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)	Third Quarter 2010	Fourth Quarter 2010	First Quarter 2011	Second Quarter 2011	Total
Ownership Days	4,408	4,590	4,587	4,953	**18,538**
Less Off-hire Days:					
Scheduled Off-hire Days	(138)	(41)	(119)	(86)	**(384)**
Other Off-hire Days	—	(26)	(31)	(42)	**(99)**
Operating Days	**4,270**	**4,523**	**4,437**	**4,825**	**18,055**
Vessel Utilization	**96.9%**	**98.5%**	**96.7%**	**97.4%**	**97.4%**

Revenue - Impact of Off-hire (in '000s of US Dollars)	Third Quarter 2010	Fourth Quarter 2010	First Quarter 2011	Second Quarter 2011	Total
100% Fleet Utilization	$94,758	$101,051	$101,454	$116,398	**$413,661**
Less Off-hire Days:					
Scheduled Off-hire Days	(171)	—	(1,518)	(697)	**(2,386)**
Other Off-hire Days	—	(566)	(947)	(937)	**(2,450)**
Actual Revenue Earned	**$94,587**	**$100,485**	**$98,989**	**$114,764**	**$408,825**

Fleet List

The following table describes in detail our fleet deployment profile as of July 25, 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
CMA CGM Attila	8,530	2011	April 2023
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 2012
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
Taiwan Express[8]	4,253	2007	July 2019
YM Vancouver	4,253	2007	September 2019
Derby D [9]	4,253	2004	February 2014
Deva [10]	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
Honour[11]	3,908	1989	January 2012
Hope[12]	3,908	1989	June 2012
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[13]	3,129	1988	July 2012
Lotus[14]	3,098	1988	July 2012
Independence[15]	3,045	1986	October 2011
Henry[16]	3,039	1986	July 2012
Elbe [17]	2,917	1991	April 2012
California Dragon[18]	2,917	1991	July 2011
Komodo [19]	2,917	1991	April 2012
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 [20]	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 June 4, 2011, the *YM Seattle* was renamed to *Taiwan Express* at the request of the charterer of this vessel.
(9) On May 28, 2011, the *Bunga Raya Tiga* was renamed to *Derby D* at the request of the charterer of this vessel.
(10) On October 7, 2010, the *Bunga Raya Tujuh* was renamed to *Deva* at the request of the charterer of this vessel.
(11) On January 31, 2011, the *Al Rayan* was renamed to *Honour* at the request of the charterer of this vessel.
(12) On July 1, 2011, the *YM Yantian* was renamed to *Hope* at the request of the charterer of this vessel.
(13) On August 18, 2010, the *YM Milano* was renamed to *SCI Pride* at the request of the charterer of this vessel.
(14) On July 24, 2010, the *CMA CGM Lotus* was renamed to *Lotus* at the request of the charterer of this vessel.
(15) On October 18, 2010, the *CMA CGM Vanille* was renamed to *Independence* at the request of the charterer of this vessel
(16) On May 13, 2010, the *CMA CGM Passiflore* was renamed to *Henry* at the request of the charterer of this vessel.
(17) On May 28, 2011, the *Jiangsu Dragon* was renamed to *Elbe* at the request of the charterer of this vessel.
(18) On July 20, 2010, the *CMA CGM Kalamata* was renamed to *California Dragon* at the request of the charterer of this vessel.
(19) On May 24, 2011, the *Shenzhen Dragon* was renamed to *Komodo* at the request of the charterer of this vessel.
(20) 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 Z00002	8,530	3rd Quarter 2011	12 years
HN Z00003	8,530	4th Quarter 2011	12 years
HN Z00004	8,530	4th Quarter 2011	12 years
HN H 1022A	8,530	1st Quarter 2012	12 years
Hull No S-456	13,100	1st Quarter 2012	12 years
Hull No S-457	13,100	1st Quarter 2012	12 years
Hull No S-458	13,100	2nd Quarter 2012	12 years
Hull No S-459	13,100	2nd Quarter 2012	12 years
Hull No S-460	13,100	2nd Quarter 2012	12 years

(*) Delivery date represents most recent update regarding respective event.

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

	Three months ended June 30, 2011	Three months ended June 30, 2010	Six months ended June 30, 2011	Six months ended June 30, 2010
OPERATING REVENUES	**$114,764**	**$84,946**	**$213,753**	**$164,605**
OPERATING EXPENSES				
Vessel operating expenses	(29,325)	(18,759)	(55,927)	(36,305)
Depreciation & amortization	(27,756)	(19,455)	(51,722)	(37,256)
General & administrative	(4,716)	(5,727)	(9,345)	(11,099)
Gain on sale of vessels	—	—	—	1,916
Impairment loss	—	—	—	(71,509)
Other operating expenses	(2,056)	(1,721)	(4,274)	(3,307)
Income From Operations	**50,911**	**39,284**	**92,485**	**7,045**
OTHER EARNINGS (EXPENSES)				
Interest income	293	223	646	472
Interest expense	(12,963)	(9,773)	(24,811)	(18,549)
Other finance cost, net	(2,899)	(604)	(7,326)	(1,093)
Other income/(expenses), net	(179)	87	(2,099)	74
Loss on fair value of derivatives	(35,394)	(43,882)	(53,683)	(82,378)
Total Other Income (Expenses), net	**(51,142)**	**(53,949)**	**(87,273)**	**(101,474)**
Net (Loss)/Income	**$(231)**	**$(14,665)**	**$5,212**	**$(94,429)**
EARNINGS/(LOSS) PER SHARE				
Basic & diluted net (loss)/ income per share	$0.00	$(0.27)	$0.05	$(1.73)
Basic & diluted weighted average number of common shares (in thousands of shares)	108,975	54,556	108,794	54,552

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

	Three months ended June 30, 2011	Three months ended June 30, 2010	Six months ended June 30, 2011	Six months ended June 30, 2010
Net (loss)/income	$(231)	$(14,665)	$5,212	$(94,429)
Loss on fair value of derivatives	35,394	43,882	53,683	82,378
Realized loss on derivatives	(32,054)	(21,600)	(60,163)	(37,647)
Realized loss on over-hedging portion of derivatives	10,158	8,377	19,927	12,379
Comprehensive Financing Plan related fees	177	856	2,266	1,904
Amortization of financing fees & finance fees accrued	2,658	339	4,278	659
Loss on fair value of warrants	—	—	2,253	—
Impairment loss	—	—	—	71,509
Gain on sale of vessels	—	—	—	(1,916)
Adjusted Net Income	**$16,102**	**$17,189**	**$27,456**	**$34,837**
Adjusted Earnings Per Share	**$0.15**	**$0.32**	**$0.25**	**$0.64**
Weighted average number of shares	108,975	54,556	108,794	54,552

* 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 and six months ended June 30, 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 June 30, 2011 (Unaudited)	As of December 31, 2010 (Unaudited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$96,717	$229,835
Restricted cash, current portion	2,909	2,907
Accounts receivable, net	5,074	4,112
Other current assets	36,142	29,976
	140,842	266,830
NON-CURRENT ASSETS		
Fixed assets, net	2,811,030	2,273,483
Advances for vessels under construction	676,850	904,421
Deferred charges, net	108,115	24,692
Fair value of financial instruments	4,149	4,465
Other non-current assets	19,937	15,239
	3,620,081	3,222,300
TOTAL ASSETS	**3,760,923**	**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	69,652	95,131
Fair value of financial instruments, current portion	136,602	129,747
	227,873	246,497
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	2,736,812	2,543,907
Vendor financing	65,145	—
Fair value of financial instruments, net of current portion	286,150	302,161
Other long-term liabilities	7,836	4,153
	3,095,943	2,850,221
STOCKHOLDERS' EQUITY		
Common stock	1,090	1,086
Additional paid-in capital	543,755	489,672
Treasury stock	—	(3)
Accumulated other comprehensive loss	(451,173)	(436,566)
Retained earnings	343,435	338,223
	437,107	392,412
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$3,760,923**	**$3,489,130**

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

	Three months ended June 30, 2011	Three months ended June 30, 2010	Six months ended June 30, 2011	Six months ended June 30, 2010
Operating Activities:				
Net (loss)/ income	$(231)	$(14,665)	$5,212	$(94,429)
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	26,005	17,744	48,441	33,805
Impairment loss	—	—	—	71,509
Amortization of deferred finance cost and other finance fees accrued	4,409	2,050	7,559	4,110
Stock based compensation	24	8	47	35
Payments for drydocking/special survey	(2,150)	—	(7,052)	(258)
Change in fair value of financial instruments	(4,681)	12,208	(22,158)	22,920
Gain on sale of vessels	—	—	—	(1,916)
Accounts receivable	(1,574)	224	(962)	(590)
Other assets, current and non-current	(6,735)	(1,910)	(10,864)	(4,075)
Accounts payable and accrued liabilities	8,528	5,481	(10,750)	4,236
Other liabilities, current and non-current	(1,453)	(1,850)	(2,860)	(285)
Net Cash provided by Operating Activities	**22,142**	**19,290**	**6,613**	**35,062**
Investing Activities:				
Vessel additions	(549)	—	(363)	—
Vessels under construction	(180,768)	(203,655)	(302,276)	(279,286)
Proceeds from sale of vessels	—	—	—	1,764
Net Cash used in Investing Activities	**(181,317)**	**(203,655)**	**(302,639)**	**(277,522)**
Financing Activities:				
Debt draw downs	129,448	167,529	227,686	225,389
Debt repayment	(2,592)	(176,800)	(34,559)	(196,692)
Treasury stock	—	—	—	(50)
Deferred costs	—	—	(30,217)	—
Decrease/(Increase) in restricted cash	(2,814)	171,565	(2)	174,377
Net Cash provided by Financing Activities	**124,042**	**162,294**	**162,908**	**203,024**
Net Decrease in cash and cash equivalents	(35,133)	(22,071)	(133,118)	(39,436)
Cash and cash equivalents, beginning of period	131,850	104,685	229,835	122,050
Cash and cash equivalents, end of period	**$96,717**	**$82,614**	**$96,717**	**$82,614**

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

	Three months ended June 30, 2011	Three months ended June 30, 2010	Six months ended June 30, 2011	Six months ended June 30, 2010
Net (loss)/income	$(231)	$(14,665)	$5,212	$(94,429)
Depreciation	26,005	17,744	48,441	33,805
Amortization of deferred drydocking & special survey costs	1,751	1,711	3,281	3,451
Amortization of deferred finance costs and other finance fees accrued	2,658	339	4,278	659
Interest income	(293)	(223)	(646)	(472)
Interest expense	12,963	9,773	24,811	18,549
Impairment loss	—	—	—	71,509
Gain on sale of vessels	—	—	—	(1,916)
Comprehensive Financing Plan related fees	177	856	2,266	1,904
Stock based compensation	24	8	47	35
Realized loss on derivatives	32,054	21,600	60,163	37,647
Non-cash changes in fair value of derivatives	3,340	22,282	(6,480)	44,731
Non-cash changes in fair value of warrants	—	—	2,253	—
Adjusted EBITDA[(1)]	**$78,448**	**$59,425**	**$143,626**	**$115,473**

1) 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 and six months ended June 30, 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.