World – Class Shipping, Leading – Edge Expertise

DANAOS CORPORATION

Danaos Corporation Reports Third Quarter and Nine Months Results for the Period Ended September 30, 2011.

Athens, Greece, November 7, 2011 – Danaos Corporation ("Danaos") (NYSE: DAC), a leading international owner of containerships, today reported unaudited results for the period ended September 30, 2011.

Highlights for the Third Quarter and Nine Months Ended September 30, 2011:

- **During the third quarter of 2011, we took delivery of two newly built containerships with an aggregate carrying capacity of 17,060 TEU, which have been both deployed on 12-year time charters.**
- **The remaining average charter duration of our fleet was 9.9 years as of September 30, 2011 (weighted by aggregate contracted charter hire).**
- **Total contracted operating revenues were $5.6 billion as of September 30, 2011.**
- **Charter coverage of 92% by the end of 2012.**
- **Operating revenues of $126.0 million for the three months ended September 30, 2011 compared to $94.6 million for the three months ended September 30, 2010, an increase of 33.2%. Operating revenues of $339.8 million for the nine months ended September 30, 2011 compared to $259.2 million for the nine months ended September 30, 2010, an increase of 31.1%.**
- **Adjusted EBITDA[1] of $86.2 million for the three months ended September 30, 2011 compared to $63.4 million for the three months ended September 30, 2010, an increase of 36.0%. Adjusted EBITDA[1] of $229.8 million for the nine months ended September 30, 2011 compared to $178.9 million for the nine months ended September 30, 2010, an increase of 28.5%.**
- **Adjusted net income[1] of $17.6 million or $0.16 per share and $45.0 million or $0.41 per share for the three and nine months ended September 30, 2011, respectively.**

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

	Three months ended September 30, 2011	Three months ended September 30, 2010	Nine months ended September 30, 2011	Nine months ended September 30, 2010
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Operating revenues	$126,004	$94,588	$339,757	$259,193
Net (loss)/income	$(833)	$977	$4,379	$(93,452)
Adjusted net income[1]	$17,578	$12,077	$45,034	$46,914
Earnings/(losses) per share	$(0.01)	$0.01	$0.04	$(1.45)
Adjusted earnings per share[1]	$0.16	$0.14	$0.41	$0.73
Weighted average number of shares (in thousands)	109,003	83,346	108,865	64,256
Adjusted EBITDA[1]	$86,171	$63,378	$229,797	$178,851

[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.

Danaos' CEO Dr. John Coustas commented:

This quarter we experienced one of the most sudden market drops in recent history due to the termination of a number of services, putting vessels mostly panamax size in the market either as liner relets, or by redeliveries. There was some demand for these vessels however at rates which were close, or below operating costs. We expect that this situation will continue until Chinese new year and thereafter a moderate recovery will materialize by either new services, or by upgrading of services to achieve economies of scale.

During this quarter, we continued to take delivery of our contracted fleet and added two 8,500 TEU vessels to the fleet, which are chartered for 12 years at accretive rates. We have focused our attention to cost control to ensure the profitability of our operations. During the three and nine months ended September 30, 2011, we have produced adjusted EBITDA of $86 million and $230 million, respectively, and adjusted net income of $0.16 per share and $0.41 per share, respectively, which mark a solid performance of our fleet.

In terms of employment, we have recently re-chartered a panamax containership at market rates for 1 year, while we decided to lay-up temporarily another panamax vessel rather than chartering it out below operating expenses. This decision being cost neutral will give us the opportunity to charter the vessel out at a better level from February onwards.

Notwithstanding the above, it has to be noted that despite the softening of the container market the position of Danaos remains strong due to the strong charter coverage that runs at 92% until the end of 2012, which includes new deliveries that already have 12 year charters in place. The Company is practically insulated from the effects of a soft charter market, having solid income visibility with limited downside on charter market risks.

On the positive side, the market deterioration has put the brakes on any further newbuilding discussions and in combination with the lending freeze by European banks this will be a limiting factor to the growth of the fleet that will offer favorable future market dynamics.

We will continue to monitor the market closely to optimize the utilization of our assets and to complete the delivery of the remaining 7 vessels in our contracted fleet until June 2012.

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

During the quarter ended September 30, 2011, Danaos had an average of 56.4 containerships compared to 47.9 containerships for the same period in 2010. During the third quarter of 2011, we took delivery of two vessels, the CMA CGM Attila, on July 8, 2011 and the CMA CGM Tancredi, on August 22, 2011. Our fleet utilization was increased to 99.4% in the three months ended September 30, 2011 compared to 96.9% in the same period of 2010, due to a decrease in the off-hire days in the third quarter of 2011 compared to 2010.

Our adjusted net income was $17.6 million, or $0.16 per share, for the three months ended September 30, 2011 compared to $12.1 million, or $0.14 per share, for the three months ended September 30, 2010. We have adjusted our net income of the third quarter 2011 for a non-cash loss in fair value of derivatives of $4.7 million, realized losses on swaps of $10.3 million attributable to our over-hedging position (as described below), as well as a non-cash expense of $3.5 million for fees related to our comprehensive financing plan (related to non-cash, amortizing and accrued finance fees). Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

The increase of 45.5%, or $5.5 million, in the adjusted net income for the three months ended September 30, 2011 compared to the three months ended September 30, 2010, was mainly attributable to the increased Income from Operations, which was partially off-set by an increase in realized losses on our interest rate swap contracts (after the adjustment of the over-hedging portion), as well as increased interest expense (mainly due to the higher average indebtedness) during the three months ended September 30, 2011 compared to the same period in 2010.

On a non-adjusted basis our net loss was $0.8 million, or $0.01 per share, for the third quarter of 2011, compared to net income of $1.0 million, or $0.01 per share, for the third quarter of 2010.

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 fixed interest rate Vendor 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. The over-hedged position described above will be gradually reduced and ultimately eliminated during the second half of 2012, following the delivery of all of our remaining newbuildings.

Operating Revenue
Operating revenue increased 33.2%, or $31.4 million, to $126.0 million in the three months ended September 30, 2011, from $94.6 million in the three months ended September 30, 2010. The increase was primarily attributable to the addition of eight vessels to our fleet, as follows:

Vessel Name	Vessel Size (TEU)	Date Delivered
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
CMA CGM Attila	8,530	July 8, 2011
CMA CGM Tancredi	8,530	August 22, 2011

These additions to our fleet contributed revenues of $26.0 million during the three months ended September 30, 2011.

Furthermore, operating revenues for the three months ended September 30, 2011, reflect:

1. $3.2 million in incremental revenues in the three months ended September 30, 2011 compared to the same period of 2010, related to three 6,500 TEU containerships (the CMA CGM Rabelais, the CMA CGM Racine and the YM Maturity, which were added to our fleet on July 2, 2010, on August 16, 2010 and August 18, 2010, respectively) and one 3,400 TEU containership (the Hanjin Santos, which was added to our fleet on July 6, 2010).
2. $2.2 million increase in revenues in the three months ended September 30, 2011 compared to the same period of 2010, which was mainly attributable to re-chartering of certain vessels at increased charter rates in the third quarter of 2011, as well as reduced off-hire days by 106 days, to 32 days in the three months ended September 30, 2011, from 138 days in the three months ended September 30, 2010.

Vessel Operating Expenses
Vessel operating expenses increased 27.5%, or $6.8 million, to $31.5 million in the three months ended September 30, 2011, from $24.7 million in the three months ended September 30, 2010. The increase is mainly attributable to the increased average number of vessels in our fleet during the three months ended September 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 14 days in aggregate during the third quarter of 2011 compared to 128 days in the same period of 2010. The average daily operating cost per vessel increased to $6,321 for the three months ended September 30, 2011, from $5,971 for the three months ended September 30, 2010 (excluding those vessels on lay-up). The increase is mainly attributable to the increased lubricant expenses following the increase of crude oil prices in the three months ended September 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 in the three months ended September 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 33.8%, or $7.1 million, to $28.1 million in the three months ended September 30, 2011, from $21.0 million in the three months ended September 30, 2010. The increase in depreciation expense was due to the increased average number of vessels in our fleet during the three months ended September 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 48.1%, or $1.3 million, to $1.4 million in the three months ended September 30, 2011, from $2.7 million in the three months ended September 30, 2010. During the three months ended September 30, 2010, we had written-off the remaining unamortized balances of deferred dry-docking and special survey costs of $1.4 million related to three of our vessels, as their new dry-docking was performed before the initially scheduled dates.

General and Administrative Expenses
General and administrative expenses decreased 11.3%, or $0.6 million, to $4.7 million in the three months ended September 30, 2011, from $5.3 million in the same period of 2010. The decrease was the result of reduced legal and advisory fees of $1.1 million recorded in the three months ended September 30, 2011 compared to the same period of 2010, which was offset by increased fees of $0.5 million to our Manager in the third 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 by $2.1 million, to $3.6 million in the three months ended September 30, 2011, from $1.5 million in the three months ended September 30, 2010. The increase was the result of increased port expenses, commissions and other voyage expenses, due to the increased number of vessels in our fleet in the third quarter of 2011 compared to the same period of 2010. Furthermore, during the three months ended September 30, 2011, we incurred an expense of $0.8 million related to fuel costs in relation to the repositioning of one of our vessels. Our vessels are not otherwise subject to fuel costs, which are paid by our charterers.

Interest Expense and Interest Income
Interest expense increased by 24.1%, or $2.8 million, to $14.4 million in the three months ended September 30, 2011, from $11.6 million in the three months ended September 30, 2010. The change in interest expense was due to the increase in our average debt by $448.5 million, to $2,873.4 million in the quarter ended September 30, 2011, from $2,424.9 million in the quarter ended September 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 September 30, 2011 compared to the three months ended September 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 newbuilding program resulted in interest being capitalized, rather than such interest being recognized as an expense, of $3.2 million for the three months ended September 30, 2011 compared to $5.1 million of capitalized interest for the three months ended September 30, 2010.

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

Other finance costs, net
Other finance costs, net, decreased by $0.1 million, to $3.6 million in the three months ended September 30, 2011, from $3.7 million in the three months ended September 30, 2010. During the third quarter of 2011, we recorded and expense of $0.4 million of finance fees accrued related to our comprehensive financing plan, as well as increased amortization of finance fees by $2.7 million (which were deferred and will be amortized over the life of the respective credit facilities) compared to the same period in 2010.During the third quarter of 2010, we also recorded a one-off expense of $3.1 million related to bank fees incurred in our comprehensive financing plan.

Other income/(expenses), net
Other income/(expenses), net, was a gain of $0.1 million in the three months ended September 30, 2011, compared to a gain of $12.6 million in the three months ended September 30, 2010. During the third quarter 2010, we recorded a gain 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.

Unrealized and realized (loss)/gain on derivatives
Unrealized loss on interest rate swap hedges, decreased by $7.7 million, to $4.7 million in the three months ended September 30, 2011, from $12.4 million in the three months ended September 30, 2010, which is attributable to hedge accounting ineffectiveness and mark to market valuation of the swaps.

Realized loss on interest rate swap hedges, increased by $11.9 million, to $35.3 million in the three months ended September 30, 2011, from $23.4 million in the three months ended September 30, 2010, which is mainly attributable to the higher average notional amount of swaps and the persisting low floating LIBOR rates.

In addition, realized losses on cash flow hedges of $7.0 million and $8.0 million in the three months ended September 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 with interest rates that have been hedged by our interest rate swap contracts. The table below provides an analysis of the items discussed above, and which were recorded in the three months ended September 30, 2011 and 2010:

	Three months ended September 30, 2011		Three months ended September 30, 2010	
	(in millions)			
Unrealized loss on swaps		$(4.7)		$(12.4)
Total realized losses of swaps	(42.3)		(31.4)	
Realized losses of swaps deferred in OCL	7.0		8.0	
Realized losses of swaps expensed in P&L		(35.3)		(23.4)

Adjusted EBITDA
Adjusted EBITDA increased 36.0%, or $22.8 million, to $86.2 million in the three months ended September 30, 2011, from $63.4 million in the three months ended September 30, 2010. Adjusted EBITDA for the third quarter of 2011, is adjusted for a non-cash loss in fair value of derivatives of $4.2 million, realized losses on derivatives of $35.3 million, as well as an expense of $3.5 million for fees related to our comprehensive financing plan (related to non-cash, amortizing and accrued finance fees). Tables reconciling Adjusted EBITDA to Net (Loss)/Income can be found at the end of this earnings release.

Nine months ended September 30, 2011 compared to the nine months ended September 30, 2010

During the nine months ended September 30, 2011, Danaos had an average of 53.9 containerships compared to 44.3 containerships for the same period of 2010. Our fleet utilization declined to 97.9% in the nine months ended September 30, 2011 compared to 98.2% in the same period of 2010, mainly due to increased scheduled off-hire days.

Our adjusted net income was $45.0 million, or $0.41 per share, for the nine months ended September 30, 2011 compared to $46.9 million, or $0.73 per share, for the nine months ended September 30, 2010. We have adjusted our net income for the nine months ended September 30, 2011 for a non-cash gain in fair value of derivatives of $1.8 million, a non-cash loss in fair value of warrants of $2.2 million, realized losses on swaps of $30.2 million attributable to our over-hedging position, an expense of $2.3 million for fees related to our comprehensive financing plan (related to legal and advisory fees)

and a non-cash expense of $7.8 million of amortizing and accrued finance fees. Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

The decrease of 4.1%, or $1.9 million, in adjusted net income for the nine months ended September 30, 2011 compared to the nine months ended September 30, 2010 was mainly attributable to increased realized losses on our interest rate swap contracts (after the adjustment of the over-hedging portion) recorded in our Statement of Income during the nine months ended September 30, 2011 compared to the same period of 2010, as well as increased interest expense due to higher average indebtedness in the first nine months of 2011 compared to the same period in 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), and further offset by increased Income from Operations.

On a non-adjusted basis, our net income was $4.4 million, or $0.04 per share, for the nine months ended September 30, 2011, compared to net loss of $93.5 million, or $1.45 per share, for the nine months ended September 30, 2010.

Operating Revenue
Operating revenue increased 31.1%, or $80.6 million, to $339.8 million in the nine months ended September 30, 2011, from $259.2 million in the nine months ended September 30, 2010. The increase was primarily attributable to the addition to our fleet of eight vessels, as follows:

Vessel Name	Vessel Size (TEU)	Date Delivered
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
CMA CGM Attila	8,530	July 8, 2011
CMA CGM Tancredi	8,530	August 22, 2011

These additions to our fleet contributed revenues of $49.7 million during the nine months ended September 30, 2011.

Furthermore, operating revenues for the nine months ended September 30, 2011, reflect:

1. $38.5 million in incremental revenues in the nine months ended September 30, 2011 compared to the same period of 2010, related to six 6,500 TEU containerships (the CMA CGM Musset, the CMA CGM Nerval, the CMA CGM Rabelais, the CMA CGM Racine, the YM Mandate and the YM Maturity, which were added to our fleet on March 12, 2010, May 17, 2010, July 2, 2010, August 16, 2010, May 19, 2010 and August 18, 2010, respectively) and two 3,400 TEU containerships (the Hanjin Buenos Aires and the Hanjin Santos, which were added to our fleet on May 27, 2010 and July 6, 2010, respectively).
2. $0.1 million reduction in revenues in the nine months ended September 30, 2011 compared to the nine months ended September 30, 2010. This was due to the sale of one 1,704 TEU containership, the MSC Eagle, on January 22, 2010, that contributed nil revenues in the nine months ended September 30, 2011 compared to $0.1 million of revenues in the nine months ended September 30, 2010.
3. $2.6 million reduction in revenues due to off-hire revenue days increase by 94 days, to 310 days in the nine months ended September 30, 2011, from 216 days in the nine months ended September 30, 2010.
4. $4.9 million reduction in revenues in the nine months ended September 30, 2011 compared to the same period in 2010. This was mainly attributable to re-chartering of certain vessels at reduced charter rates in 2010 carried over in 2011.

Vessel Operating Expenses
Vessel operating expenses increased 43.0%, or $26.3 million, to $87.4 million in the nine months ended September 30, 2011, from $61.1 million in the nine months ended September 30, 2010. The increase is mainly attributable to the increased average number of vessels in our fleet during the nine

months ended September 30, 2011 compared to the same period of 2010, as well as incremental costs of certain vessels, which were on lay-up for 119 days in aggregate during the nine months ended September 30, 2011 compared to 1,219 days in the same period of 2010. The average daily operating cost per vessel increased to $6,220 for the nine months ended September 30, 2011, from $5,712 for the nine months ended September 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 39.8%, or $21.8 million, to $76.6 million in the nine months ended September 30, 2011, from $54.8 million in the nine months ended September 30, 2010. The increase in depreciation expense was due to the increased average number of vessels in our fleet during the nine months ended September 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 25.8%, or $1.6 million, to $4.6 million in the nine months ended September 30, 2011, from $6.2 million in the nine months ended September 30, 2010. During the nine months ended September 30, 2010, we had written-off the remaining unamortized balances of deferred dry-docking and special survey costs of $1.4 million related to three of our vessels, as their new dry-docking was performed before the initially scheduled dates.

General and Administrative Expenses
General and administrative expenses decreased 14.6%, or $2.4 million, to $14.0 million in the nine months ended September 30, 2011, from $16.4 million in the same period of 2010. The decrease was the result of a reduction in legal and advisory fees by $4.2 million recorded in the nine months ended September 30, 2011, which partially was offset by increased fees of $1.7 million to our Manager in the nine months ended September 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 64.6%, or $3.1 million, to $7.9 million in the nine months ended September 30, 2011, from $4.8 million for the nine months ended September 30, 2010. The increase was the result of increased port expenses, commissions and other voyage expenses due to the increased number of vessels in our fleet in the nine months ended September 30, 2011 compared to the same period of 2010. Furthermore, during the nine months ended September 30, 2011, we incurred an expense of $0.8 million related to fuel costs due to the repositioning of one of our vessels. Our vessels are not otherwise subject to fuel costs, which are paid by our charterers.

Interest Expense and Interest Income
Interest expense increased 29.8%, or $9.0 million, to $39.2 million in the nine months ended September 30, 2011, from $30.2 million in the nine months ended September 30, 2010. The change in interest expense was due to the increase in our average debt by $400.8 million, to $2,755.9 million in the nine months ended September 30, 2011, from $2,355.1 million in the nine months ended September 30, 2010, which was partially offset by the decrease in the margin over LIBOR payable on interest under our credit facilities in the nine months ended September 30, 2011 compared to the nine months ended September 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 being capitalized, rather than such interest being recognized as an expense, of $12.9 million for the nine months ended September 30, 2011 compared to $19.6 million of capitalized interest for the nine months ended September 30, 2010.

Interest income increased by $0.3 million, to $1.0 million in the nine months ended September 30, 2011, from $0.7 million in the nine months ended September 30, 2010.

Other finance costs, net
Other finance costs, net, increased by $6.1 million, to $10.9 million in the nine months ended September 30, 2011, from $4.8 million in the nine months ended September 30, 2010. The increase is attributable to increased amortization of finance fees of $5.6 million (which were deferred and are amortized over the life of the respective credit facilities) and $1.2 million of finance fees accrued for the nine months ended September 30, 2011, as well as a non-cash loss in fair value of warrants of $2.2 million recorded in the nine months ended September 30, 2011. Furthermore, during the nine months ended September 30, 2010, we recorded an expense of $3.1 million of one-off fees related to our comprehensive financing plan.

Other income/(expenses), net
Other income/(expenses), net, was an expense of $2.0 million in the nine months ended September 30, 2011, compared to a gain of $12.7 million in the nine months ended September 30, 2010. During the nine months ended September 30, 2011, we recorded an expense of $2.3 million for fees directly related to our comprehensive financing plan. Furthermore, during the nine months ended September 30, 2010, we recorded a gain 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.

Unrealized and realized (loss)/gain on derivatives
Unrealized gain/(loss) on interest rate swap hedges, decreased by $58.9 million, to a gain of $1.8 million in the nine months ended September 30, 2011, from a loss of $57.1 million in the nine months ended September 30, 2010, which is attributable to hedge accounting ineffectiveness and mark to market valuation of the swaps.

Realized loss on interest rate swap hedges, increased by $34.5 million, to $95.5 million in the nine months ended September 30, 2011, from $61.0 million in the nine months ended September 30, 2010, which is mainly attributable to the higher average notional amount of swaps and the persisting low floating LIBOR rates.

In addition, realized losses on cash flow hedges of $24.9 million and $29.8 million in the nine months ended September 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 with interest rates that have been hedged by our interest rate swap contracts. The table below provides an analysis of the items discussed above, and which were recorded in the nine months ended September 30, 2011 and 2010:

	Nine months ended September 30, 2011		Nine months ended September 30, 2010	
	(in millions)			
Unrealized gain/(loss) on swaps		$1.8		$(57.1)
Total realized losses of swaps	(120.4)		(90.8)	
Realized losses of swaps deferred in OCL	24.9		29.8	
Realized losses of swaps expensed in P&L		(95.5)		(61.0)

Adjusted EBITDA
Adjusted EBITDA increased by $50.9 million, or 28.5%, to $229.8 million in the nine months ended September 30, 2011, from $178.9 million in the nine months ended September 30, 2010. Adjusted EBITDA of 2011 excludes a non-cash gain in fair value of derivatives of $2.9 million, realized losses on derivatives of $95.5 million, an expense of $12.3 million for fees related to our comprehensive financing plan ($7.8 million of non-cash, amortizing and accrued finance fees, a non-cash loss in fair value of warrants of $2.2 million and $2.3 million of legal and advisory fees) recorded in the nine months ended September 30, 2011. Tables reconciling Adjusted EBITDA to Net (Loss) / Income can be found at the end of this earnings release.

Recent News
On October 26, 2011, the Company took delivery of the newbuilding 8,530 TEU vessel, the CMA CGM Bianca. 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 Tuesday, November 8, 2011 at 9:00 A.M. EST, 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 November 15, 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 58 containerships aggregating 282,619 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 7 additional containerships aggregating 82,560 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 32 off-hire days in the third quarter of 2011 (including 17 days related to Marathonas, which is off-charter and laid up by the company since its redelivery on September 13, 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)	Fourth Quarter 2010	First Quarter 2011	Second Quarter 2011	Third Quarter 2011	Total
Ownership Days	4,590	4,587	4,953	5,185	**19,315**
Less Off-hire Days:					
Scheduled Off-hire Days	(41)	(119)	(86)	—	**(246)**
Other Off-hire Days	(26)	(31)	(42)	(32)	**(131)**
Operating Days	**4,523**	**4,437**	**4,825**	**5,153**	**18,938**
Vessel Utilization	**98.5%**	**96.7%**	**97.4%**	**99.4%**	**98.0%**

Revenue - Impact of Off-hire (in '000s of US Dollars)	Fourth Quarter 2010	First Quarter 2011	Second Quarter 2011	Third Quarter 2011	Total
100% Fleet Utilization	$101,051	$101,454	$116,398	$126,084	**$444,987**
Less Off-hire Days:					
Scheduled Off-hire Days	—	(1,518)	(697)	—	**(2,215)**
Other Off-hire Days	(566)	(947)	(937)	(80)	**(2,530)**
Actual Revenue Earned	**$100,485**	**$98,989**	**$114,764**	**$126,004**	**$440,242**

Fleet List

The following table describes in detail our fleet deployment profile as of November 7, 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
CMA CGM Tancredi	8,530	2011	May 2023
CMA CGM Bianca	8,530	2011	July 2023
CSCL America	8,468	2004	September 2016
CSCL Europe	8,468	2004	June 2016
CMA CGM Moliere[2]	6,500	2009	August 2021
CMA CGM Musset[2]	6,500	2010	February 2022
CMA CGM Nerval[2]	6,500	2010	April 2022
CMA CGM Rabelais[2]	6,500	2010	June 2022
YM Mandate	6,500	2010	January 2028
CMA CGM Racine[2]	6,500	2010	July 2022
YM Maturity	6,500	2010	April 2028
Marathonas	4,814	1991	Laid-up
Messologi [3]	4,814	1991	September 2012
Mytilini[4]	4,814	1991	October 2012
APL Commodore[5]	4,651	1992	March 2013
APL Duke[6]	4,651	1992	February 2013
APL 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	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[10]	3,908	1989	January 2012
Hope[11]	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	3,129	1988	July 2012
Lotus	3,098	1988	July 2012
Independence	3,045	1986	November 2011
Henry	3,039	1986	July 2012
Elbe [12]	2,917	1991	April 2012
Kalamata[13]	2,917	1991	August 2012
Komodo[14]	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	2,130	1984	March 2012

(1) Earliest date charters could expire. Some charters include options to extend their terms.
(2) Vessel subject to charterer's option to purchase vessel after first eight years of time charter term for $78.0 million.
(3) On April 15, 2011, the *Maersk Messologi* was renamed to *Messologi* at the request of the charterer of this vessel.
(4) On October 17, 2011, the *Maersk Mytilini* was renamed to *Mytilini* at the request of the charterer of this vessel
(5) On September 21, 2011, the *Hyundai Commodore* was renamed to *APL Commodore* at the request of the charterer of this vessel.
(6) On August 24, 2011, the *Hyundai Duke* was renamed to *APL Duke* at the request of the charterer of this vessel
(7) On August 9, 2011, the *Hyundai Federal* was renamed to *APL 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 January 31, 2011, the *Al Rayan* was renamed to *Honour* at the request of the charterer of this vessel.
(11) On July 1, 2011, the *YM Yantian* was renamed to *Hope* at the request of the charterer of this vessel.
(12) On May 28, 2011, the *Jiangsu Dragon* was renamed to *Elbe* at the request of the charterer of this vessel.
(13) On August 6, 2011, the *Caligornia Dragon* was renamed to *Kalamata* at the request of the charterer of this vessel.
(14) On May 24, 2011, the *Shenzhen Dragon* was renamed to *Komodo* 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 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 September 30, 2011	Three months ended September 30, 2010	Nine months ended September 30, 2011	Nine months ended September 30, 2010
OPERATING REVENUES	**$126,004**	**$94,588**	**$339,757**	**$259,193**
OPERATING EXPENSES				
Vessel operating expenses	(31,521)	(24,745)	(87,448)	(61,050)
Depreciation & amortization	(29,506)	(23,730)	(81,228)	(60,986)
General & administrative	(4,701)	(5,294)	(14,046)	(16,393)
Gain on sale of vessels	—	—	—	1,916
Impairment loss	—	—	—	(71,509)
Other operating expenses	(3,641)	(1,522)	(7,915)	(4,829)
Income From Operations	**56,635**	**39,297**	**149,120**	**46,342**
OTHER EARNINGS (EXPENSES)				
Interest income	323	220	969	692
Interest expense	(14,355)	(11,613)	(39,166)	(30,162)
Other finance cost, net	(3,590)	(3,728)	(10,916)	(4,821)
Other income/(expenses), net	118	12,579	(1,981)	12,653
Realized (loss)/gain on derivatives	(35,300)	(23,378)	(95,463)	(61,025)
Unrealized (loss)/gain on derivatives	(4,664)	(12,400)	1,816	(57,131)
Total Other Income (Expenses), net	**(57,468)**	**(38,320)**	**(144,741)**	**(139,794)**
Net (Loss)/Income	**$(833)**	**$977**	**$4,379**	**$(93,452)**
EARNINGS/(LOSS) PER SHARE				
Basic & diluted net (loss)/ income per share	$(0.01)	$0.01	$0.04	$(1.45)
Basic & diluted weighted average number of common shares (in thousands of shares)	109,003	83,346	108,865	64,256

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

	Three months ended September 30, 2011	Three months ended September 30, 2010	Nine months ended September 30, 2011	Nine months ended September 30, 2010
Net (loss)/income	$(833)	$977	$4,379	$(93,452)
Unrealized loss/(gain) on derivatives	4,664	12,400	(1,816)	57,131
Realized loss on over-hedging portion of derivatives	10,268	7,225	30,195	19,604
Comprehensive Financing Plan related fees	—	3,733	2,266	5,637
Amortization of financing fees & finance fees accrued	3,479	342	7,757	1,001
Loss on fair value of warrants	—	—	2,253	—
Impairment loss	—	—	—	71,509
Gain on contract termination	—	(12,600)	—	(12,600)
Gain on sale of vessels	—	—	—	(1,916)
Adjusted Net Income	**$17,578**	**$12,077**	**$45,034**	**$46,914**
Adjusted Earnings Per Share	**$0.16**	**$0.14**	**$0.41**	**$0.73**
Weighted average number of shares	109,003	83,346	108,865	64,256

* 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 nine months ended September 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 September 30, 2011 (Unaudited)	As of December 31, 2010 (Unaudited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$64,267	$229,835
Restricted cash, current portion	96	2,907
Accounts receivable, net	5,797	4,112
Other current assets	36,944	29,976
	107,104	266,830
NON-CURRENT ASSETS		
Fixed assets, net	3,026,697	2,273,483
Advances for vessels under construction	582,552	904,421
Deferred charges, net	103,667	24,692
Fair value of financial instruments	4,507	4,465
Other non-current assets	22,360	15,239
	3,739,783	3,222,300
TOTAL ASSETS	**3,846,887**	**3,489,130**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Long-term debt, current portion	28,399	21,619
Vendor Financing, current portion	3,619	—
Accounts payable, accrued liabilities & other current liabilities	66,660	95,131
Fair value of financial instruments, current portion	132,138	129,747
	230,816	246,497
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	2,822,192	2,543,907
Vendor financing, net of current portion	61,526	—
Fair value of financial instruments, net of current portion	326,112	302,161
Other long-term liabilities	7,441	4,153
	3,217,271	2,850,221
STOCKHOLDERS' EQUITY		
Common stock	1,090	1,086
Additional paid-in capital	543,778	489,672
Treasury stock	—	(3)
Accumulated other comprehensive loss	(488,670)	(436,566)
Retained earnings	342,602	338,223
	398,800	392,412
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$3,846,887**	**$3,489,130**

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

	Three months ended September 30, 2011	Three months ended September 30, 2010	Nine months ended September 30, 2011	Nine months ended September 30, 2010
Operating Activities:				
Net (loss)/ income	$(833)	$977	$4,379	$(93,452)
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	28,139	20,989	76,580	54,794
Impairment loss	—	—	—	71,509
Amortization of deferred finance cost and other finance fees accrued	4,846	3,083	12,405	7,193
Written-off amount of deferred charges	—	1,084	—	1,084
Stock based compensation	23	25	70	60
Payments for drydocking/special survey	44	(2,294)	(7,008)	(2,552)
Change in fair value of warrants	—	—	2,253	—
Amortization of deferred realized losses on cash flow interest rate swaps	459	167	1,045	266
Unrealized loss/(gain) on derivatives	4,205	12,233	(2,861)	56,865
Realized losses on derivatives deferred in Other Comprehensive Loss	(6,975)	(8,022)	(24,906)	(29,833)
Gain on sale of vessels	—	—	—	(1,916)
Accounts receivable	(723)	103	(1,685)	(487)
Other assets, current and non-current	(3,225)	(5,883)	(14,089)	(9,958)
Accounts payable and accrued liabilities	(5,458)	4,708	(16,208)	8,944
Other liabilities, current and non-current	4,023	2,607	1,163	2,322
Net Cash provided by Operating Activities	**24,525**	**29,777**	**31,138**	**64,839**
Investing Activities:				
Vessels under construction and vessels additions	(151,481)	(190,519)	(454,120)	(469,805)
Proceeds from sale of vessels	—	—	—	1,764
Net Cash used in Investing Activities	**(151,481)**	**(190,519)**	**(454,120)**	**(468,041)**
Financing Activities:				
Debt draw downs	99,911	170,430	327,597	395,819
Debt repayment	(8,218)	(8,217)	(42,777)	(204,909)
Proceeds from equity issuance	—	200,000	—	200,000
Treasury stock purchased	—	—	—	(50)
Deferred costs	—	(5,824)	(30,217)	(5,824)
Decrease in restricted cash	2,813	10,379	2,811	184,756
Net Cash provided by Financing Activities	**94,506**	**366,768**	**257,414**	**569,792**
Net Decrease in cash and cash equivalents	(32,450)	206,026	(165,568)	166,590
Cash and cash equivalents, beginning of period	96,717	82,614	229,835	122,050
Cash and cash equivalents, end of period	**$64,267**	**$288,640**	**$64,267**	**$288,640**

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

	Three months ended September 30, 2011	Three months ended September 30, 2010	Nine months ended September 30, 2011	Nine months ended September 30, 2010
Net (loss)/income	$(833)	$977	$4,379	$(93,452)
Depreciation	28,139	20,989	76,580	54,794
Amortization of deferred drydocking & special survey costs	1,367	2,741	4,648	6,192
Amortization of deferred finance costs and other finance fees accrued	3,479	342	7,757	1,001
Interest income	(323)	(220)	(969)	(692)
Interest expense	14,355	11,613	39,166	30,162
Impairment loss	—	—	—	71,509
Gain on sale of vessels	—	—	—	(1,916)
Comprehensive Financing Plan related fees	—	3,733	2,266	5,637
Stock based compensation	23	25	70	60
Realized loss on derivatives	35,300	23,378	95,463	61,025
Unrealized loss/(gain) on derivatives	4,205	12,233	(2,861)	56,865
Amortization of deferred realized losses on cash flow interest rate swaps	459	167	1,045	266
Gain on contract termination	—	(12,600)	—	(12,600)
Non-cash changes in fair value of warrants	—	—	2,253	—
Adjusted EBITDA[(1)]	**$86,171**	**$63,378**	**$229,797**	**$178,851**

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 nine months ended September 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.