World – Class Shipping, Leading – Edge Expertise

DANAOS CORPORATION

Danaos Corporation Reports Second Quarter and Half Year Results for the Period Ended June 30, 2012.

Athens, Greece, July 30, 2012 – Danaos Corporation ("Danaos") (NYSE: DAC), a leading international owner of containerships, today reported unaudited results for the period ended June 30, 2012.

Highlights for the Second Quarter and Half Year Ended June 30, 2012:

- **Operating revenues of $146.7 million for the three months ended June 30, 2012 compared to $114.8 million for the three months ended June 30, 2011, an increase of 27.8%. Operating revenues of $280.9 million for the six months ended June 30, 2012 compared to $213.8 million for the six months ended June 30, 2011, an increase of 31.4%.**
- **Adjusted EBITDA[1] of $106.7 million for the three months ended June 30, 2012 compared to $78.4 million for the three months ended June 30, 2011, an increase of 36.1%. Adjusted EBITDA[1] of $203.2 million for the six months ended June 30, 2012 compared to $143.6 million for the six months ended June 30, 2011, an increase of 41.5%.**
- **Adjusted net income[1] of $16.2 million, or $0.15 per share, for the three months ended June 30, 2012 compared to $16.1 million, or $0.15 per share, for the three months ended June 30, 2011. Adjusted net income[1] of $33.1 million, or $0.30 per share, for the six months ended June 30, 2012 compared to $27.5 million, or $0.25 per share, for the six months ended June 30, 2011.**
- **We managed to improve our daily vessel operating cost to $5,995 per day for the three months ended June 30, 2012 compared to $6,166 per day for the three months ended June 30, 2011.**
- **During the second quarter of 2012, we completed our newbuilding program with the delivery of three newly built containerships with an aggregate carrying capacity of 39,300 TEU, which have been all deployed on 12-year time charters. Furthermore, we sold and delivered the Montreal, a 28 year old vessel, and realized a net gain on the sale of $0.8 million.**
- **The remaining average charter duration of our fleet was 10.1 years as of June 30, 2012 (weighted by aggregate contracted charter hire).**
- **Total contracted operating revenues were $5.2 billion as of June 30, 2012, through 2028.**
- **Charter coverage of 86% for the next 12 months in terms of contracted operating days and 93.5% in terms of operating revenues.**

Three and Six Months Ended June 30, 2012
Financial Summary

(Expressed in thousands of United States dollars, except per share amounts):

	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Operating revenues	$146,657	$114,764	$280,894	$213,753
Net income/(loss)	$8,966	$(231)	$18,308	$5,212
Adjusted net income	$16,175	$16,103	$33,113	$27,457
Earnings/(losses) per share	$0.08	$0.00	$0.17	$0.05
Adjusted earnings per share	$0.15	$0.15	$0.30	$0.25
Weighted average number of shares (in thousands)	109,611	108,975	109,608	108,794
Adjusted EBITDA[1]	$106,720	$78,447	$203,158	$143,625

[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 to adjusted EBITDA.

Danaos' CEO Dr. John Coustas commented:

During the second quarter of 2012, we completed our extensive new-building program that has established Danaos as one of the largest and most reliable containership operating lessors in the world with a 64 vessel fleet and a 363,049 TEU carrying capacity. Since going public in 2006, we have more than tripled our TEU carrying capacity, which has been growing at a 21% compounded annual growth rate. Today, Danaos has one of the most modern fleets in the industry that includes some of the largest containerships in the world. Now, we will concentrate on the successful deployment of our fleet and the rapid deleveraging of the company.

As far as our financial performance is concerned, we continued to improve our numbers in terms of revenue and net income while operating costs are being squeezed. For the second quarter of 2012 and the six months of 2012, respectively, our revenues were $147 million and $281 million, adjusted EBITDA $107 million and $203 million and adjusted net income $0.15 and $0.30, respectively. The average vessel daily operating cost in 2Q 2012 compared to 2Q 2011 fell to $5,995, from $6,166, further demonstrating our ship-management efficiency.

The container market experienced a stagnation during this quarter and now, although demand for larger vessels in excess of 6,000 TEU remains reasonable, we have a standstill on smaller tonnage. The good news is that capacity management in the liner sector resulted in a stability of box rates and this fact in combination with the significant reduction in fuel oil costs will drive liner companies solidly in the black for the 2nd and 3rd quarters. We need to see a resumption of growth in Europe to have the Europe Fareast trade pick up again. We hope this growth can resume in 2013 as during that year we have the deliveries of the 2011 ordering mini boom. Fortunately, the medium term picture remains positive as virtually no new ordering has taken place.

We will continue our efforts to charter profitably the vessels coming off charter, however, we are fortunate as we are largely insulated from spot market variations.

Three months ended June 30, 2012 compared to the three months ended June 30, 2011

During the three months ended June 30, 2012, Danaos had an average of 62.2 containerships compared to 54.4 containerships for the same period in 2011. During the second quarter of 2012, we took delivery of three vessels, the Hyundai Smart, on May 3, 2012, the Hyundai Speed, on June 7, 2012 and the Hyundai Ambition, on June 29, 2012. Our fleet utilization declined to 94.5% in the three months ended June 30, 2012 compared to 97.4% in the same period of 2011, mainly due to the 260 days for which three of our vessels were off-charter and laid-up by us in the second quarter of 2012. During the three months ended June 30, 2012, our fleet utilization for the fleet under employment was 99.1% (excluding the vessels on lay up).

Our adjusted net income was $16.2 million, or $0.15 per share, for the three months ended June 30, 2012 compared to $16.1 million, or $0.15 per share, for the three months ended June 30, 2011. We have adjusted our net income in the second quarter of 2012 for unrealized gains on derivatives of $1.6 million, realized losses on swaps of $5.8 million attributable to our over-hedging position (as described below), as well as a non-cash expense of $3.9 million for fees related to our comprehensive financing plan (comprised of non-cash, amortizing and accrued finance fees) and a gain on sale of vessel of $0.8 million. Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

The increase of 0.6%, or $0.1 million, in adjusted net income for the three months ended June 30, 2012 compared to the three months ended June 30, 2011, was 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 for the over-hedging portion), as well as increased interest expense (mainly due to the higher average indebtedness) during the three months ended June 30, 2012 compared to the same period in 2011.

On a non-adjusted basis our net income was $9.0 million, or $0.08 per share, for the second quarter of 2012, compared to net loss of $0.2 million, or $0.00 per share, for the second quarter of 2011.

As a result of our comprehensive financing plan, we are 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 2011, 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 by the end of 2012.

Operating Revenue
Operating revenue increased 27.8%, or $31.9 million, to $146.7 million in the three months ended June 30, 2012, from $114.8 million in the three months ended June 30, 2011. 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 Attila	8,530	July 8, 2011
CMA CGM Tancredi	8,530	August 22, 2011
CMA CGM Bianca	8,530	October 26, 2011
CMA CGM Samson	8,530	December 15, 2011
Hyundai Together	13,100	February 16, 2012
CMA CGM Melisande	8,530	February 28, 2012
Hyundai Tenacity	13,100	March 8, 2012
Hyundai Smart	13,100	May 3, 2012
Hyundai Speed	13,100	June 7, 2012
Hyundai Ambition	13,100	June 29, 2012

These additions to our fleet contributed revenues of $35.5 million during the three months ended June 30, 2012 (722 operating days in total).

Furthermore, operating revenues for the three months ended June 30, 2012, reflect:

- $2.2 million of incremental revenues in the three months ended June 30, 2012 compared to the same period of 2011, related to two 10,100 TEU containerships (the Hanjin Italy and the Hanjin Greece, which were added to our fleet on April 6, 2011 and May 4, 2011, respectively).
- $0.7 million decrease in revenues in the three months ended June 30, 2012 compared to the same period of 2011, related to the sale of one 2,130 TEU containership, the Montreal, on April 27, 2012.
- $5.1 million decrease in revenues in the three months ended June 30, 2012 compared to the same period of 2011. This was mainly attributable to increased off-hire days by 183 days, to 311 days in the three months ended June 30, 2012, from 128 days in the three months ended June 30, 2011 (mainly due to $4.4 million reduction in revenue in relation to the three vessels that were off-charter and laid up for 260 days during the second quarter of 2012).

Vessel Operating Expenses
Vessel operating expenses increased 7.2%, or $2.1 million, to $31.4 million in the three months ended June 30, 2012, from $29.3 million in the three months ended June 30, 2011. The increase is mainly attributable to the increased average number of vessels in our fleet during the three months ended June 30, 2012 compared to the same period of 2011. This overall increase was offset in part by the lower average daily operating cost per vessel of $5,995 for the three months ended June 30, 2012 compared to $6,166 for the three months ended June 30, 2011 (excluding vessels on lay-up).

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

Depreciation
Depreciation expense increased 35.4%, or $9.2 million, to $35.2 million in the three months ended June 30, 2012, from $26.0 million in the three months ended June 30, 2011. The increase in depreciation expense was due to the increased average number of vessels in our fleet (with higher cost base) during the three months ended June 30, 2012 compared to the same period of 2011.

Amortization of Deferred Dry-docking and Special Survey Costs

Amortization of deferred dry-docking and special survey costs decreased 22.2%, or $0.4 million, to $1.4 million in the three months ended June 30, 2012, from $1.8 million in the three months ended June 30, 2011. During the three months ended June 30, 2011, we had written-off the remaining unamortized balance of deferred dry-docking and special survey costs of $0.3 million related to one of our vessels, as its new dry-docking was performed before the initially scheduled date.

General and Administrative Expenses
General and administrative expenses increased 10.6%, or $0.5 million, to $5.2 million in the three months ended June 30, 2012, from $4.7 million in the same period of 2011. The increase was mainly the result of increased fees to our Manager, due to the increase in the average number of vessels in our fleet.

Other Operating Expenses
Other Operating Expenses includes Voyage Expenses

Voyage Expenses
Voyage expenses increased by $1.3 million, to $3.4 million in the three months ended June 30, 2012, from $2.1 million in the three months ended June 30, 2011. The increase was the result of increased commissions to our Manager, due to the increase in the average number of vessels in our fleet and the increase in the commission on gross charter hires to our Manager, to 1.0% from 0.75%, effective January 1, 2012, as well as increased other voyage expenses due to the increase in the average number of vessels in the three months ended June 30, 2012 compared to the same period of 2011.

Interest Expense and Interest Income
Interest expense increased by 65.4%, or $8.5 million, to $21.5 million in the three months ended June 30, 2012, from $13.0 million in the three months ended June 30, 2011. The change in interest expense was due to the increase in our average debt by $487.6 million, to $3,279.5 million in the quarter ended June 30, 2012, from $2,791.9 million in the quarter ended June 30, 2011, as well as the increased average LIBOR payable on interest under our credit facilities in the three months ended June 30, 2012 compared to the three months ended June 30, 2011. Furthermore, the financing of our newbuilding program resulted in $1.2 million of interest being capitalized, rather than such interest being recognized as an expense, for the three months ended June 30, 2012 compared to $3.8 million of capitalized interest for the three months ended June 30, 2011.

Interest income was $0.4 million in the three months ended June 30, 2012 compared to $0.3 million in the three months ended June 30, 2011.

Other finance costs, net
Other finance costs, net, increased by $1.2 million, to $4.1 million in the three months ended June 30, 2012, from $2.9 million in the three months ended June 30, 2011. This increase was due to the $1.2 million increase in amortization of finance fees (which were deferred and are amortized over the life of the respective credit facilities) in the second quarter of 2012 compared to the same period in 2011.

Other income/(expenses), net
Other income/(expenses), net, was an income of $0.3 million in the three months ended June 30, 2012, compared to an expense of $0.2 million in the three months ended June 30, 2011. This was mainly the result of legal fees of $0.2 million attributable to fees related to preparing and structuring the comprehensive financing plan, which were recorded during the three months ended June 30, 2011 and not incurred in the current quarter.

Unrealized gain/(loss) on derivatives
Unrealized gain/(loss) on interest rate swap hedges was a gain of $1.6 million in the three months ended June 30, 2012 compared to a loss of $3.3 million in the three months ended June 30, 2011, which is attributable to hedge accounting ineffectiveness and mark to market valuation of two of our swaps not qualifying for hedge accounting.

Realized (loss)/gain on derivatives
Realized loss on interest rate swap hedges, increased by $6.5 million, to $38.6 million in the three months ended June 30, 2012, from $32.1 million in the three months ended June 30, 2011, which is attributable to the higher average notional amount of swaps during the three months ended June 30, 2012 compared to the same period of 2011, as well as the reduction in the realized losses being

deferred for the respective periods (as discussed below) following the gradual delivery of all our vessels under construction, which was partially offset by the higher floating LIBOR rates during the three months ended June 30, 2012 compared to the same period of 2011.

In addition, realized losses on cash flow hedges of $2.2 million and $8.0 million in the three months ended June 30, 2012 and 2011, 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 that were 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 June 30, 2012 and 2011:

	Three months ended June 30, 2012	Three months ended June 30, 2011
	(in millions)	
Total realized losses of swaps	$(40.8)	$(40.1)
Realized losses of swaps deferred in OCL	2.2	8.0
Realized losses of swaps expensed in P&L	**(38.6)**	**(32.1)**
Realized losses attributable to overhedging	5.8	10.2
Adjusted realized losses attributable to hedged debt	**$(32.8)**	**$(21.9)**

Adjusted EBITDA

Adjusted EBITDA increased 36.1%, or $28.3 million, to $106.7 million in the three months ended June 30, 2012, from $78.4 million in the three months ended June 30, 2011. Adjusted EBITDA for the second quarter of 2012, is adjusted for an unrealized gain on derivatives of $1.6 million, realized losses on derivatives of $37.8 million and a gain on sale of vessel of $0.8 million. Tables reconciling Adjusted EBITDA to Net Income can be found at the end of this earnings release.

Six months ended June 30, 2012 compared to the six months ended June 30, 2011

During the six months ended June 30, 2012, Danaos had an average of 61.2 containerships compared to 52.7 containerships for the same period in 2011. Our fleet utilization declined to 94.5% in the six months ended June 30, 2012 compared to 97.1% in the same period of 2011, mainly due to the 506 days for which three of our vessels were off-charter and laid-up by us in the first half of 2012. During the six months ended June 30, 2012, our fleet utilization for the fleet under employment was 99.0% (excluding the laid up vessels).

Our adjusted net income was $33.1 million, or $0.30 per share, for the six months ended June 30, 2012 compared to $27.5 million, or $0.25 per share, for the six months ended June 30, 2011. We have adjusted our net income in the first half of 2012 for unrealized gains on derivatives of $4.6 million, realized losses on swaps of $12.6 million attributable to our over-hedging position, as well as a non-cash expense of $7.5 million for fees related to our comprehensive financing plan (comprised of non-cash, amortizing and accrued finance fees) and a gain on sale of vessel of $0.8 million. Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

The increase of 20.4%, or $5.6 million, in adjusted net income for the six months ended June 30, 2012 compared to the six months ended June 30, 2011, was 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 for the over-hedging portion), as well as increased interest expense (mainly due to the higher average indebtedness) during the six months ended June 30, 2012 compared to the same period in 2011.

On a non-adjusted basis our net income was $18.3 million, or $0.17 per share, for the six months ended June 30, 2012, compared to net income of $5.2 million, or $0.05 per share, for the six months ended June 30, 2011.

Operating Revenue
Operating revenue increased 31.4%, or $67.1 million, to $280.9 million in the six months ended June 30, 2012, from $213.8 million in the six months ended June 30, 2011. 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 Attila	8,530	July 8, 2011
CMA CGM Tancredi	8,530	August 22, 2011
CMA CGM Bianca	8,530	October 26, 2011
CMA CGM Samson	8,530	December 15, 2011
Hyundai Together	13,100	February 16, 2012
CMA CGM Melisande	8,530	February 28, 2012
Hyundai Tenacity	13,100	March 8, 2012
Hyundai Smart	13,100	May 3, 2012
Hyundai Speed	13,100	June 7, 2012
Hyundai Ambition	13,100	June 29, 2012

These additions to our fleet contributed revenues of $56.5 million during the six months ended June 30, 2012 (1,188 operating days in total).

Furthermore, operating revenues for the six months ended June 30, 2012, reflect:

- $17.8 million of incremental revenues in the six months ended June 30, 2012 compared to the same period of 2011, related to two 3,400 TEU containerships (the Hanjin Algeciras and the Hanjin Constantza, which were added to our fleet on January 26, 2011 and April 15, 2011, respectively) and three 10,100 TEU containerships (the Hanjin Germany, the Hanjin Italy and the Hanjin Greece, which were added to our fleet on March 10, 2011, April 6, 2011 and May 4, 2011, respectively).
- $7.2 million decrease in revenues in the six months ended June 30, 2012 compared to the same period of 2011. This was mainly attributable to increased off-hire days by 336 days, to 614 days in the six months ended June 30, 2012, from 278 days in the six months ended June 30, 2011, ($7.4 million reduction in revenue in relation to the three vessels that were off-charter and laid up for 506 days during the six months ended June 30, 2012, which was partially offset by $0.2 million higher revenue mainly due to higher re-chartering of certain vessels).

Vessel Operating Expenses
Vessel operating expenses increased 10.0%, or $5.6 million, to $61.5 million in the six months ended June 30, 2012, from $55.9 million in the six months ended June 30, 2011. The increase is mainly attributable to the increased average number of vessels in our fleet during the six months ended June 30, 2012 compared to the same period of 2011. This overall increase was offset in part by the lower average daily operating cost per vessel of $5,970 for the six months ended June 30, 2012 compared to $6,164 for the six months ended June 30, 2011 (excluding vessels on lay-up).

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

Depreciation
Depreciation expense increased 38.2%, or $18.5 million, to $66.9 million in the six months ended June 30, 2012, from $48.4 million in the six months ended June 30, 2011. The increase in depreciation expense was due to the increased average number of vessels in our fleet (with higher cost base) during the six months ended June 30, 2012 compared to the same period of 2011.

Amortization of Deferred Dry-docking and Special Survey Costs
Amortization of deferred dry-docking and special survey costs decreased 21.2%, or $0.7 million, to $2.6 million in the six months ended June 30, 2012, from $3.3 million in the six months ended June 30, 2011. During the six months ended June 30, 2011, we had written-off the remaining unamortized balances of deferred dry-docking and special survey costs of $0.6 million related to two of our vessels, as their new dry-docking was performed before the initially scheduled dates.

General and Administrative Expenses
General and administrative expenses increased 8.6%, or $0.8 million, to $10.1 million in the six months ended June 30, 2012, from $9.3 million in the same period of 2011. The increase was mainly the result of increased fees of $1.1 million to our Manager, due to the increase in the average number of vessels in our fleet, which were partially offset by reductions in various general and administrative expenses recorded in the six months ended June 30, 2012 compared to the same period of 2011.

Other Operating Expenses
Other Operating Expenses includes Voyage Expenses

Voyage Expenses
Voyage expenses increased by $2.0 million, to $6.3 million in the six months ended June 30, 2012, from $4.3 million in the six months ended June 30, 2011. The increase was the result of increased commissions to our Manager, due to the increase in the average number of vessels in our fleet and the increase in the commission on gross charter hires to our Manager, to 1.0% from 0.75%, effective January 1, 2012, as well as increased other voyage expenses due to the increase in the average number of vessels in the six months ended June 30, 2012 compared to 2011.

Interest Expense and Interest Income
Interest expense increased by 60.9%, or $15.1 million, to $39.9 million in the six months ended June 30, 2012, from $24.8 million in the six months ended June 30, 2011. The change in interest expense was due to the increase in our average debt by $506.1 million, to $3,202.3 million in the six months ended June 30, 2012, from $2,696.2 million in the six months ended June 30, 2011, as well as the increased average LIBOR payable on interest under our credit facilities in the six months ended June 30, 2012 compared to the six months ended June 30, 2011. Furthermore, the financing of our newbuilding program resulted in $3.7 million of interest being capitalized, rather than such interest being recognized as an expense, for the six months ended June 30, 2012 compared to $9.7 million of capitalized interest for the six months ended June 30, 2011.

Interest income was $0.8 million in the six months ended June 30, 2012 compared to $0.7 million in the six months ended June 30, 2011.

Other finance costs, net
Other finance costs, net, increased by $0.7 million, to $8.0 million in the six months ended June 30, 2012, from $7.3 million in the six months ended June 30, 2011. This increase was mainly due to the increased amortization of $3.2 million in relation to finance fees (which were deferred and are amortized over the life of the respective credit facilities) in the six months ended June 30, 2012 compared to the same period in 2011, which was partially offset by an expense of $2.3 million recorded in the six months ended June 30, 2011, in relation to non-cash changes in fair value of warrants.

Other income/(expenses), net
Other income/(expenses), net, was an income of $0.5 million in the six months ended June 30, 2012, compared to an expense of $2.1 million in the six months ended June 30, 2011. This was mainly the result of legal and advisory fees of $2.3 million attributable to fees related to preparing and structuring the comprehensive financing plan, which were recorded during the six months ended June 30, 2011 not incurred in the current quarter.

Unrealized (loss)/gain on derivatives
Unrealized gain on interest rate swap hedges decreased by $2.0 million, to $4.5 million in the six months ended June 30, 2012, from $6.5 million in the six months ended June 30, 2011, which is attributable to hedge accounting ineffectiveness and mark to market valuation of two of our swaps not qualifying for hedge accounting.

Realized (loss)/gain on derivatives
Realized loss on interest rate swap hedges, increased by $13.8 million, to $74.0 million in the six months ended June 30, 2012, from $60.2 million in the six months ended June 30, 2011, which is attributable to the higher average notional amount of swaps during the six months ended June 30, 2012 compared to the same period of 2011, as well as the reduction in the realized losses being deferred for the respective periods (as discussed below) following the gradual delivery of all our

vessels under construction, which is partially offset by the higher floating LIBOR rates during the six months ended June 30, 2012 compared to the same period of 2011.

In addition, realized losses on cash flow hedges of $7.0 million and $17.9 million in the six months ended June 30, 2012 and 2011, 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 six months ended June 30, 2012 and 2011:

	Six months ended June 30, 2012	Six months ended June 30, 2011
	(in millions)	
Total realized losses of swaps	$(81.0)	$(78.1)
Realized losses of swaps deferred in OCL	7.0	17.9
Realized losses of swaps expensed in P&L	**(74.0)**	**(60.2)**
Realized losses attributable to overhedging	12.6	19.9
Adjusted realized losses attributable to hedged debt	**$(61.4)**	**$(40.3)**

Adjusted EBITDA
Adjusted EBITDA increased 41.5%, or $59.6 million, to $203.2 million in the six months ended June 30, 2012, from $143.6 million in the six months ended June 30, 2011. Adjusted EBITDA for the first half of 2012, is adjusted for an unrealized gain on derivatives of $4.5 million, realized losses on derivatives of $72.5 million and a gain on sale of vessel of $0.8 million. Tables reconciling Adjusted EBITDA to Net Income can be found at the end of this earnings release.

Recent News
On July 27, 2012, at our annual meeting of stockholders, each of Messrs. Coustas, Itkin and Mundell were re-elected as Class I directors for a three-year term expiring at the annual meeting of our stockholders in 2015. Our stockholders also ratified the appointment of PricewaterhouseCoopers S.A. as our independent auditors.

Conference Call and Webcast
On Tuesday, July 31, 2012, 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 6, 2012 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 64 containerships aggregating 363,049 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. The Company's shares trade on the New York Stock Exchange under the symbol "DAC".

Forward-Looking Statements

Matters discussed in this release may constitute forward-looking statements within the meaning of the safeharbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements reflect our current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although Danaos Corporation believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, Danaos Corporation cannot assure you that it will achieve or accomplish these expectations, beliefs or projections. Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including changes in charter hire rates and vessel values, charter counterparty performance, shipyard performance, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled drydocking, changes in Danaos Corporation's operating expenses, including bunker prices, dry-docking and insurance costs, ability to obtain financing and comply with covenants in our financing arrangements, actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists.

Risks and uncertainties are further described in reports filed by Danaos Corporation with the U.S. Securities and Exchange Commission.

Visit our website at www.danaos.com

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 311 off-hire days in the second quarter of 2012 (including 260 days related to Marathonas, Independence and Honour, which have been off-charter and laid up). 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 2011	Fourth Quarter 2011	First Quarter 2012	Second Quarter 2012	Total
Ownership Days	5,185	5,328	5,471	5,663	**21,647**
Less Off-hire Days:					
Scheduled Off-hire Days	—	(4)	(49)	(45)	**(98)**
Other Off-hire Days	(32)	(163)	(254)	(266)	**(715)**
Operating Days	**5,153**	**5,161**	**5,168**	**5,352**	**20,834**
Vessel Utilization	**99.4%**	**96.9%**	**94.5%**	**94.5%**	**96.2%**
Operating Revenues (in '000s of US Dollars)	**$126,004**	**$128,344**	**$134,237**	**$146,657**	**$535,242**
Average Daily Charter Rate	**$24,453**	**$24,868**	**$25,975**	**$27,402**	**$25,691**

Fleet List

The following table describes in detail our fleet deployment profile as of July 30, 2012.

Vessel Name	Vessel Size (TEU)	Year Built	Expiration of Charter[1]
Containerships			
Hyundai Ambition	13,100	2012	June 2024
Hyundai Speed	13,100	2012	June 2024
Hyundai Smart	13,100	2012	May 2024
Hyundai Tenacity	13,100	2012	March 2024
Hyundai Together	13,100	2012	February 2024
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 Melisande	8,530	2012	November 2023
CMA CGM Attila	8,530	2011	April 2023
CMA CGM Tancredi	8,530	2011	May 2023
CMA CGM Bianca	8,530	2011	July 2023
CMA CGM Samson	8,530	2011	September 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	4,814	1991	September 2012
Mytilini	4,814	1991	October 2012
Hyundai Commodore[3]	4,651	1992	March 2013
Hyundai Duke[4]	4,651	1992	February 2013
Hyundai Federal[5]	4,651	1994	October 2012
SNL Colombo[6]	4,300	2004	March 2019
YM Singapore	4,300	2004	October 2019
YM Seattle[7]	4,253	2007	July 2019
YM Vancouver	4,253	2007	September 2019
Derby D	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	3,908	1989	December 2012
Hope	3,908	1989	July 2013
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
Pride[8]	3,129	1988	Laid-up
Lotus	3,098	1988	July 2013

Independence	3,045	1986	Laid-up
Henry	3,039	1986	Laid-up
Elbe	2,917	1991	May 2013
Kalamata	2,917	1991	August 2012
Komodo	2,917	1991	April 2013
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

(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 20, 2012, the *APL Commodore* was renamed to *Hyundai Commodore* at the request of the charterer of this vessel.
(4) On January 29, 2012, the *APL Duke* was renamed to *Hyundai Duke* at the request of the charterer of this vessel.
(5) On January 31, 2012, the *APL Federal* was renamed to *Hyundai Federal* at the request of the charterer of this vessel.
(6) On March 18, 2012, the *YM Colombo* was renamed to *SNL Colombo* at the request of the charterer of this vessel.
(7) On April 9, 2012, the *Taiwan Express* was renamed to *YM Seattle* at the request of the charterer of this vessel.
(8) On July 21, 2012, the *SCI Pride* was renamed to *Pride*.

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

	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
OPERATING REVENUES	**$146,657**	**$114,764**	**$280,894**	**$213,753**
OPERATING EXPENSES				
Vessel operating expenses	(31,392)	(29,325)	(61,487)	(55,927)
Depreciation & amortization	(36,638)	(27,755)	(69,521)	(51,721)
General & administrative	(5,247)	(4,716)	(10,084)	(9,345)
Gain on sale of vessels	830	—	830	—
Other operating expenses	(3,366)	(2,057)	(6,256)	(4,275)
Income From Operations	**70,844**	**50,911**	**134,376**	**92,485**
OTHER EARNINGS (EXPENSES)				
Interest income	401	293	754	646
Interest expense	(21,460)	(12,963)	(39,850)	(24,811)
Other finance cost, net	(4,102)	(2,899)	(7,959)	(7,326)
Other income/(expenses), net	280	(179)	476	(2,099)
Realized (loss)/gain on derivatives	(38,602)	(32,053)	(74,045)	(60,162)
Unrealized gain/(loss) on derivatives	1,605	(3,341)	4,556	6,479
Total Other Income (Expenses), net	**(61,878)**	**(51,142)**	**(116,068)**	**(87,273)**
Net Income/(Loss)	**$8,966**	**$(231)**	**$18,308**	**$5,212**
EARNINGS/(LOSS) PER SHARE				
Basic & diluted net (loss)/ income per share	$0.08	$0.00	$0.17	$0.05
Basic & diluted weighted average number of common shares (in thousands of shares)	109,611	108,975	109,608	108,794

Non-GAAP Measures*
Reconciliation of Net Income to Adjusted Net Income – Unaudited

	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Net income/(loss)	$8,966	$(231)	$18,308	$5,212
Unrealized (gain)/loss on derivatives	(1,605)	3,341	(4,556)	(6,479)
Realized loss on over-hedging portion of derivatives	5,762	10,158	12,648	19,927
Comprehensive Financing Plan related fees	—	177	—	2,266
Amortization of financing fees & finance fees accrued	3,882	2,658	7,543	4,278
Loss on fair value of warrants	—	—	—	2,253
Gain on sale of vessels	(830)	—	(830)	—
Adjusted Net Income	**$16,175**	**$16,103**	**$33,113**	**$27,457**
Adjusted Earnings Per Share	**$0.15**	**$0.15**	**$0.30**	**$0.25**
Weighted average number of shares	109,611	108,975	109,608	108,794

* 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, 2012 and 2011. 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, 2012 (Unaudited)	As of December 31, 2011 (Unaudited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$47,218	$51,362
Restricted cash	2,820	2,909
Accounts receivable, net	5,439	4,176
Other current assets	23,288	34,844
	78,765	93,291
NON-CURRENT ASSETS		
Fixed assets, net	4,192,651	3,241,951
Advances for vessels under construction	—	524,286
Restricted cash, net of current portion	430	—
Deferred charges, net	94,767	99,711
Fair value of financial instruments	3,534	3,964
Other non-current assets	30,007	24,901
	4,321,389	3,894,813
TOTAL ASSETS	**4,400,154**	**3,988,104**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Long-term debt, current portion	70,461	41,959
Vendor Financing, current portion	39,551	10,857
Accounts payable, accrued liabilities & other current liabilities	95,959	58,254
Fair value of financial instruments, current portion	113,149	120,623
	319,120	231,693
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	3,171,506	2,960,288
Vendor financing, net of current portion	150,449	54,288
Fair value of financial instruments, net of current portion	256,593	291,829
Other long-term liabilities	8,455	7,471
	3,587,003	3,313,876
STOCKHOLDERS' EQUITY		
Common stock	1,096	1,096
Additional paid-in capital	545,915	545,884
Accumulated other comprehensive loss	(422,948)	(456,105)
Retained earnings	369,968	351,660
	494,031	442,535
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$4,400,154**	**$3,988,104**

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

	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Operating Activities:				
Net income/(loss)	$8,966	$(231)	$18,308	$5,212
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	35,226	26,005	66,907	48,441
Amortization of deferred drydocking & special survey costs, finance cost and other finance fees accrued	5,294	4,408	10,157	7,558
Stock based compensation	8	24	31	47
Payments for drydocking/special survey	(2,123)	(2,148)	(4,158)	(7,050)
Non-cash change in fair value of warrants	—	—	—	2,253
Amortization of deferred realized losses on cash flow interest rate swaps	850	360	1,499	587
Realized loss on cash flow interest rate swaps deferred in Other Comprehensive Loss	(2,196)	(8,021)	(7,035)	(17,931)
Unrealized (gain)/loss on derivatives	(1,605)	2,981	(4,556)	(7,066)
Gain on sale of vessels	(830)	—	(830)	—
Accounts receivable	581	(1,574)	(1,263)	(962)
Other assets, current and non-current	(1,104)	(6,736)	6,450	(10,865)
Accounts payable and accrued liabilities	3,824	8,528	9,322	(10,750)
Other liabilities, current and non-current	13,452	(1,455)	31,330	(2,862)
Net Cash provided by Operating Activities	**60,343**	**22,141**	**126,162**	**6,612**
Investing Activities:				
Vessels under construction and vessels additions	(191,403)	(181,317)	(375,277)	(302,639)
Net proceeds from sale of vessel	5,636	—	5,636	—
Net Cash used in Investing Activities	**(185,767)**	**(181,317)**	**(369,641)**	**(302,639)**
Financing Activities:				
Debt draw downs	149,600	129,448	266,920	227,686
Debt repayment	(15,537)	(2,592)	(27,144)	(34,559)
Deferred costs	—	—	(100)	(30,217)
Decrease/(Increase) in restricted cash	(3,153)	(2,813)	(341)	(1)
Net Cash provided by Financing Activities	**130,910**	**124,043**	**239,335**	**162,909**
Net Increase/(Decrease) in cash and cash equivalents	5,486	(35,133)	(4,144)	(133,118)
Cash and cash equivalents, beginning of period	41,732	131,850	51,362	229,835
Cash and cash equivalents, end of period	**$47,218**	**$96,717**	**$47,218**	**$96,717**

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

	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Net income/(loss)	$8,966	$(231)	$18,308	$5,212
Depreciation	35,226	26,005	66,907	48,441
Amortization of deferred drydocking & special survey costs	1,412	1,750	2,614	3,280
Amortization of deferred finance costs and other finance fees accrued	3,882	2,658	7,543	4,278
Amortization of deferred realized losses on interest rate swaps	850	360	1,499	587
Interest income	(401)	(293)	(754)	(646)
Interest expense	21,460	12,963	39,850	24,811
Gain on sale of vessels	(830)	—	(830)	—
Comprehensive Financing Plan related fees	—	177	—	2,266
Stock based compensation	8	24	31	47
Realized loss on derivatives	37,752	32,053	72,546	60,162
Unrealized (gain)/loss on derivatives	(1,605)	2,981	(4,556)	(7,066)
Non-cash changes in fair value of warrants	—	—	—	2,253
Adjusted EBITDA[(1)]	**$106,720**	**$78,447**	**$203,158**	**$143,625**

1) Adjusted EBITDA represents net income before interest income and expense, depreciation, amortization of deferred drydocking & special survey costs and deferred finance costs, non-cash changes in fair value of derivatives and warrants, realized gain/(loss) on derivatives, stock based compensation, gain/(loss) on sale of vessel 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, 2012 and 2011. 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.