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DANAOS CORPORATION

Danaos Corporation Reports First Quarter Results for the Period Ended March 31, 2013.

Athens, Greece, April 29, 2013 – Danaos Corporation ("Danaos") (NYSE: DAC), a leading international owner of containerships, today reported unaudited results for the quarter ended March 31, 2013.

Highlights for the First Quarter Ended March 31, 2013:

- **Operating revenues of $146.1 million for the three months ended March 31, 2013 compared to $134.2 million for the three months ended March 31, 2012, an increase of 8.9%.**
- **Adjusted EBITDA[1] of $108.6 million for the three months ended March 31, 2013 compared to $96.4 million for the three months ended March 31, 2012, an increase of 12.7%.**
- **Adjusted net income[1] of $13.9 million, or $0.13 per share, for the three months ended March 31, 2013 compared to $16.9 million, or $0.15 per share, for the three months ended March 31, 2012.**
- **We managed to maintain our daily vessel operating cost at low levels, of $5,912 per day for the three months ended March 31, 2013 compared to $5,945 per day for the three months ended March 31, 2012.**
- **The remaining average charter duration of our fleet was 9.5 years as of March 31, 2013 (weighted by aggregate contracted charter hire).**
- **Total contracted operating revenues were $4.8 billion as of March 31, 2013, through 2028.**
- **Charter coverage of 90% for the next 12 months in terms of contracted operating days and 98% in terms of operating revenues.**

Three Months Ended March 31, 2013
Financial Summary
(Expressed in thousands of United States dollars, except per share amounts)

	Three months ended March 31, 2013	Three months ended March 31, 2012
	(unaudited)	
Operating revenues	$146,088	$134,237
Net income	$13,432	$9,342
Adjusted net income[1]	$13,884	$16,938
Earnings per share	$0.12	$0.09
Adjusted earnings per share[1]	$0.13	$0.15
Weighted average number of shares (in thousands)	109,653	109,605
Adjusted EBITDA[1]	$108,584	$96,438

Danaos' CEO Dr. John Coustas commented:

The fundamentals of the containership market still remain weak as the Far-East Europe trade volumes remain flat having difficulty supporting the inflow of large containerships. This is also evidenced by lower freight rates in these routes compared to one year ago, while the liner companies are making yet another attempt to restore rates at healthier levels with announced General Rate Increases in May. The Pacific lanes show a much better picture which is the effect of the recovery in the US economy. Non-mainlane trade growth remains healthy and helps absorb capacity that is cascaded down from the mainlane routes but this adds pressure to the charter market, particularly on the mid-size containerships. As we enter into the peak season we expect some improvement in the market fundamentals, but all-in-all we do not anticipate spectacular changes.

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

Despite this challenging container market environment, we are reporting yet another solid quarter. Adjusted Net Income for this quarter came in at $13.9 million or 13 cents per share, $3 million lower than the first quarter of 2012 due to the weaker charter market today when compared to 1 year ago. However, as our vessels on the spot market are currently running at operating break-even levels, an improving market going forward is a one way option to improving our results.

Adjusted EBITDA increased by 12.7% to $108.6 million in the current quarter compared to $96.4 million in the first quarter of 2012 as a result of our fleet expansion program that was concluded in 2012.

Out of the 7 vessels we had on cold lay-up at the end of 2012, we only had 2 vessels on lay-up at the end of the first quarter. During this quarter, we re-activated one vessel, while we sold 4 of our older vessels and we intend to use the sale proceeds to make accretive acquisitions of younger containerships.

With a strong 98% contract coverage and only 2% of our current revenue stream at stake through re-chartering over the next 12 months, we are largely insulated from the effects of the weak charter market while we expect our EBITDA and free cash flow generation to be safeguarded. At the same time, we continue to be one of the most cost competitive operators in the market with our daily operating expenses being consistently below $6,000 per day.

We will continue to manage our fleet efficiently, while in 2013 we will focus on rapidly de-leveraging the company and creating value for our shareholders.

Three months ended March 31, 2013 compared to the three months ended March 31, 2012

During the three months ended March 31, 2013, Danaos had an average of 63.1 containerships compared to 60.1 containerships for the three months ended March 31, 2012. Our fleet utilization declined to 89.6% in the three months ended March 31, 2013 compared to 94.5% in the three months ended March 31, 2012, mainly due to the 546 days for which 7 of our vessels were off-charter and laid-up in the three months ended March 31, 2013 compared to 246 days for which 3 of our vessels were off-charter and laid-up in the three months ended March 31, 2012. During the three months ended March 31, 2013, our fleet utilization for the fleet under employment was 99.1% (which excludes the vessels on lay up). During the first quarter of 2013, we sold three vessels, the *Henry*, the *Pride* and the *Independence* for an amount of $18.8 million, which represents the gross sale proceeds less commissions.

Our adjusted net income was $13.9 million, or $0.13 per share, for the three months ended March 31, 2013 compared to $16.9 million, or $0.15 per share, for the three months ended March 31, 2012. We have adjusted our net income in the three months ended March 31, 2013 mainly for unrealized gains on derivatives of $4.4 million, as well as a non-cash expense of $4.8 million for fees related to our comprehensive financing plan (comprised of non-cash, amortizing and accrued finance fees). Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

The decrease of 17.8%, or $3.0 million, in adjusted net income for the three months ended March 31, 2013 compared to the three months ended March 31, 2012, was mainly the result of the softening of the charter market during the last year that led to the cold lay-up of 7 vessels up to the end of 2012 and to the lower re-chartering of certain vessels that currently run at operating break-even levels while they had a positive contribution to operating income during the first quarter of 2012. The above was partially offset by the new vessel additions to our fleet (all under long-term charters) over the course of the last year that were accretive both to operating income and the bottom line. As of March 31, 2013, we only had 2 vessels on cold lay-up as we have sold, or have agreed to sell, 4 vessels and have re-activated 1 further vessel.

On a non-adjusted basis our net income was $13.4 million, or $0.12 per share, for the three months ended March 31, 2013, compared to net income of $9.3 million, or $0.09 per share, for the three months ended March 31, 2012.

On March 27, 2013, we entered into an agreement with the lenders under the *HSH Nordbank AG-Aegean Baltic Bank-Piraeus Bank* credit facility. The agreement provides us the option to sell, for cash, up to 9 mortgaged vessels (the *Henry*, the *Pride*, the *Independence*, the *Honour*, the *Elbe*, the *Hope*,

the *Lotus*, the *Kalamata* and the *Komodo*), with the sale proceeds less sale commissions from such vessels' sales to be deposited in a restricted cash account for use in financing the acquisition of new containership vessels no later than December 31, 2013. Any funds remaining in this restricted cash account after that date will be applied towards prepayment of the respective credit facility. During the first quarter of 2013, we concluded the sales of the *Henry*, the *Pride* and the *Independence*; accordingly, an amount of $18.8 million, representing the gross sale proceeds less commissions from the sale of the *Henry*, the *Pride* and the *Independence*, was recorded as non-current restricted cash on March 31, 2013. We have also entered into an agreement on April 2, 2013 to sell the *Honour*.

Operating Revenues
Operating revenues increased 8.9%, or $11.9 million, to $146.1 million in the three months ended March 31, 2013, from $134.2 million in the three months ended March 31, 2012. The increase was primarily attributable to the addition of three vessels to our fleet, as follows:

Vessel Name	Vessel Size (TEU)	Date Delivered
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 $16.3 million during the three months ended March 31, 2013 (270 operating days in total).

Furthermore, operating revenues for the three months ended March 31, 2013 reflect:

- $9.4 million of incremental revenues in the three months ended March 31, 2013 compared to the three months ended March 31, 2012, related to one 8,530 TEU containership (the *CMA CGM Melisande*, which was added to our fleet on February 28, 2012), and two 13,100 TEU containerships (the *Hyundai Together* and the *Hyundai Tenacity*, which were added to our fleet on February 16, 2012 and March 8, 2012, respectively).
- $1.1 million decrease in revenues in the three months ended March 31, 2013 compared to the three months ended March 31, 2012, related to one 2,130 TEU containership, the *Montreal*, which was sold on April 27, 2012.
- $12.7 million decrease in revenues in the three months ended March 31, 2013 compared to the three months ended March 31, 2012. This was mainly attributable to an increase in off-hire days of 290 days, to 593 days in the three months ended March 31, 2013, from 303 days in the three months ended March 31, 2012, re-chartering of certain vessels during 2012 at lower charter rates compared to what these vessels were earning in the three months ended March 31, 2012, as well as reduced revenue of our fleet in the three months ended March 31, 2013 compared to the three months ended March 31, 2012 due to the one additional operating day in February 2012 compared to February 2013.

Vessel Operating Expenses
Vessel operating expenses decreased 2.7%, or $0.8 million, to $29.3 million in the three months ended March 31, 2013, from $30.1 million in the three months ended March 31, 2012. The reduction is mainly attributable to the reduced costs of 6.1 vessels on average which were laid up during the three months ended March 31, 2013 compared to 2.7 vessels on average during the three months ended March 31, 2012. The overall decrease in vessel operating expenses was offset in part by the increased average number of vessels in our fleet during the three months ended March 31, 2013 compared to the three months ended March 31, 2012.

The average daily operating cost per vessel was reduced to $5,912 for the three months ended March 31, 2013, from $5,945 for the three months ended March 31, 2012 (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 7.3%, or $2.3 million, to $34.0 million in the three months ended March 31, 2013, from $31.7 million in the three months ended March 31, 2012. The increase in

depreciation expense was due to the increased average number of vessels in our fleet during the three months ended March 31, 2013 compared to the three months ended March 31, 2012.

Amortization of Deferred Dry-docking and Special Survey Costs
Amortization of deferred dry-docking and special survey costs increased 41.7%, or $0.5 million, to $1.7 million in the three months ended March 31, 2013, from $1.2 million in the three months ended March 31, 2012. The increase reflects increased dry-docking and special survey costs incurred within the year and amortized during the three months ended March 31, 2013 compared to the three months ended March 31, 2012.

General and Administrative Expenses
General and administrative expenses increased 2.1%, or $0.1 million, to $4.9 million in the three months ended March 31, 2013, from $4.8 million in the three months ended March 31, 2012. The increase was mainly the result of increased fees paid to our Manager in the three months ended March 31, 2013 compared to the three months ended March 31, 2012, 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 $0.2 million, to $3.1 million in the three months ended March 31, 2013, from $2.9 million in the three months ended March 31, 2012. The increase was mainly the result of increased voyage expenses, due to the increase in the average number of vessels in our fleet.

Interest Expense and Interest Income
Interest expense increased by 24.5%, or $4.5 million, to $22.9 million in the three months ended March 31, 2013, from $18.4 million in the three months ended March 31, 2012. The change in interest expense was due to the increase in our average debt by $263.7 million, to $3,388.8 million in the three months ended March 31, 2013, from $3,125.1 million in the three months ended March 31, 2012. Furthermore, the financing of our newbuilding program resulted in $2.6 million of interest being capitalized, rather than such interest being recognized as an expense, for the three months ended March 31, 2012 compared to nil interest being capitalized for the three months ended March 31, 2013, following the completion of our newbuilding program in June 2012.

Interest income was $0.5 million in the three months ended March 31, 2013 compared to $0.4 million in the three months ended March 31, 2012.

Other finance costs, net
Other finance costs, net, increased by $1.2 million, to $5.1 million in the three months ended March 31, 2013, from $3.9 million in the three months ended March 31, 2012. This increase was due to the $0.7 million increase in amortizing finance fees (which were deferred and are amortized over the term of the respective credit facilities), as well as increased accrued finance fees of $0.5 million (which accrete in our Statement of Income over the term of the respective facilities) in the three months ended March 31, 2013 compared to the three months ended March 31, 2012.

Other income/(expenses), net
Other income/(expenses), net, was negligible in the three months ended March 31, 2013 compared to an expense of $0.2 million in the three months ended March 31, 2012.

Unrealized gain/(loss) on derivatives
Unrealized gain/(loss) on interest rate swap hedges was a gain of $4.4 million in the three months ended March 31, 2013 compared to a gain of $2.9 million in the three months ended March 31, 2012. The unrealized gains were attributable to mark to market valuation of our swaps and hedge accounting ineffectiveness. Furthermore, we reclassified unrealized losses from Accumulated Other Comprehensive Loss to our earnings due to the discontinuation of hedge accounting since July 1, 2012.

Realized (loss)/gain on derivatives
Realized loss on interest rate swap hedges, increased by $1.2 million, to $36.6 million in the three months ended March 31, 2013, from $35.4 million in the three months ended March 31, 2012. This increase is mainly attributable to $4.8 million of realized losses that had been deferred during the three

months ended March 31, 2012 (as discussed below) and were not deferred in the three months ended March 31, 2013, partially offset by the lower average notional amount of swaps during the three months ended March 31, 2013 compared to the three months ended March 31, 2012, which resulted in lower realized losses on derivatives of $3.6 million during the three months ended March 31, 2013.

With all our newbuildings having been delivered, no realized losses on cash flow hedges were deferred during the three months ended March 31, 2013. During the three months ended March 31, 2012, realized losses on cash flow hedges of $4.8 million were deferred in "Accumulated Other Comprehensive Loss", rather than being recognized as expenses, and are being reclassified into earnings over the depreciable lives of these vessels that were under construction and financed by loans with interest rates that were 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 March 31, 2013 and 2012:

	Three months ended March 31, 2013	Three months ended March 31, 2012
	(in millions)	
Total realized losses of swaps	$(36.6)	$(40.2)
Realized losses of swaps deferred in OCL	—	4.8
Realized losses of swaps expensed in P&L	**(36.6)**	**(35.4)**
Realized losses attributable to overhedging	—	6.9
Adjusted realized losses attributable to hedged debt	**$(36.6)**	**$(28.5)**

Adjusted EBITDA
Adjusted EBITDA increased 12.7%, or $12.1 million, to $108.6 million in the three months ended March 31, 2013, from $96.4 million in the three months ended March 31, 2012. Adjusted EBITDA for the three months ended March 31, 2013, is adjusted for unrealized gain on derivatives of $4.4 million and realized losses on derivatives of $35.6 million. Tables reconciling Adjusted EBITDA to Net Income can be found at the end of this earnings release.

Recent news
On April 2, 2013, we entered into an agreement to sell the *Honour*, for a gross sale consideration of $9.1 million. The *Honour* was built in 1989 and was laid up as of March 31, 2013. We expect to deliver the vessel in May 2013.

Conference Call and Webcast
On Tuesday, April 30th, at 9:00 A.M. EDT, the Company's management will host a conference call to discuss the results.

Participants should dial into the call 10 minutes before the scheduled time using the following numbers: 1 866 819 7111 (US Toll Free Dial In), 0800 953 0329 (UK Toll Free Dial In) or +44 (0)1452 542 301 (Standard International Dial In). Please quote "Danaos" to the operator.

A telephonic replay of the conference call will be available until May 5, 2013 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 61 containerships aggregating 353,836 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, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled drydocking, changes in Danaos Corporation's operating expenses, including bunker prices, dry-docking and insurance costs, ability to obtain financing and comply with covenants in our financing arrangements, actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists.

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

Visit our website at www.danaos.com

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Appendix

Fleet Utilization

Danaos had 593 unscheduled off-hire days in the three months ended March 31, 2013 (including 546 days related to the *Marathonas*, the *Duka*, the *Messologi* and the *Honour*, which have been off-charter and laid up, as well as the *Independence*, the *Henry* and the *Pride* (which have been off-charter and laid up until the date they were sold during the current quarter)). The following table summarizes vessel utilization and the impact of the off-hire days on the Company's revenue relating to the last four quarters.

Vessel Utilization (No. of Days)	**First Quarter 2012**	**Second Quarter 2012**	**Third Quarter 2012**	**Fourth Quarter 2012**	**First Quarter 2013**
Ownership Days	5,471	5,663	5,888	5,888	5,677
Less Off-hire Days:					
Scheduled Off-hire Days	(49)	(45)	(58)	(57)	—
Other Off-hire Days	(254)	(266)	(376)	(508)	(593)
Operating Days	**5,168**	**5,352**	**5,454**	**5,323**	**5,084**
Vessel Utilization	**94.5%**	**94.5%**	**92.6%**	**90.4%**	**89.6%**
Operating Revenues (in '000s of US Dollars)	**$134,237**	**$146,657**	**$156,289**	**$151,826**	**$146,088**
Average Gross Daily Charter Rate	**$25,975**	**$27,402**	**$28,656**	**$28,523**	**$28,735**

Fleet List

The following table describes in detail our fleet deployment profile as of April 29, 2013.

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
CMA CGM Racine[2]	6,500	2010	July 2022
YM Mandate	6,500	2010	January 2028
YM Maturity	6,500	2010	April 2028
Marathonas	4,814	1991	Laid-up
Messologi	4,814	1991	March 2014
Mytilini	4,814	1991	February 2014
Commodore[3]	4,651	1992	February 2014
Duka[4]	4,651	1992	Laid-up
Federal[5]	4,651	1994	March 2014
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[8]	3,908	1989	—
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
Lotus	3,098	1988	July 2013
Elbe	2,917	1991	May 2013

Kalamata	2,917	1991	August 2013
Komodo	2,917	1991	August 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) The charters with respect to the *CMA CGM Moliere*, the *CMA CGM Musset*, the *CMA* CGM *Nerval*, the *CMA CGM Rabelais* and the *CMA CGM Racine* include an option for the charterer, CMA-CGM, to purchase the vessels eight years after the commencement of the respective charters, which will fall in September 2017, March 2018, May 2018, July 2018 and August 2018, respectively, each for $78.0 million.
(3) On February 6, 2013, the *Hyundai Commodore* was renamed to *Commodore* at the request of the charterer of this vessel.
(4) On October 25, 2012, the *Hyundai Duke* was renamed to *Duka*.
(5) On April 6, 2013, the *Hyundai Federal* was renamed to *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 April 2, 2013, we entered into an agreement to sell the *Honour*. We expect to deliver the vessel to her buyers in May 2013.

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

	Three months ended March 31, 2013	Three months ended March 31, 2012
OPERATING REVENUES	**$146,088**	**$134,237**
OPERATING EXPENSES		
Vessel operating expenses	(29,293)	(30,095)
Depreciation & amortization	(35,713)	(32,883)
General & administrative	(4,917)	(4,837)
Loss on sale of vessels	(15)	—
Other operating expenses	(3,057)	(2,890)
Income From Operations	**73,093**	**63,532**
OTHER EARNINGS (EXPENSES)		
Interest income	492	353
Interest expense	(22,864)	(18,390)
Other finance cost	(5,077)	(3,857)
Other income/(expenses), net	(1)	196
Realized (loss)/gain on derivatives	(36,615)	(35,443)
Unrealized gain/(loss) on derivatives	4,404	2,951
Total Other Income (Expenses), net	**(59,661)**	**(54,190)**
Net Income	**$13,432**	**$9,342**
EARNINGS PER SHARE		
Basic & diluted net income per share	$0.12	$0.09
Basic & diluted weighted average number of common shares (in thousands of shares)	109,653	109,605

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

	Three months ended March 31, 2013	Three months ended March 31, 2012
Net income	**$13,432**	**$9,342**
Unrealized (gain)/loss on derivatives	(4,404)	(2,951)
Realized loss on over-hedging portion of derivatives	—	6,886
Amortization of financing fees & finance fees accrued	4,841	3,661
Loss on sale of vessels	15	—
Adjusted Net Income	**$13,884**	**$16,938**
Adjusted Earnings Per Share	**$0.13**	**$0.15**
Weighted average number of shares	109,653	109,605

* The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that certain non-GAAP financial measures used in managing the business may provide users of this financial information additional meaningful comparisons between current results and results in prior operating periods. Management believes that these non-GAAP financial measures can provide additional meaningful reflection of underlying trends of the business because they provide a comparison of historical information that excludes certain items that impact the overall comparability. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. See the Table above for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three months ended March 31, 2013 and 2012. 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 - Unaudited
(Expressed in thousands of United States dollars)

	As of March 31, 2013	As of December 31, 2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$81,804	$55,628
Restricted cash	9	2,821
Accounts receivable, net	13,096	3,741
Other current assets	31,349	36,483
	126,258	98,673
NON-CURRENT ASSETS		
Fixed assets, net	3,928,668	3,986,138
Restricted cash, net of current portion	19,240	430
Deferred charges, net	82,686	88,821
Vessel held for sale	7,884	—
Fair value of financial instruments	2,553	2,908
Other non-current assets	35,461	35,075
	4,076,492	4,113,372
TOTAL ASSETS	**$4,202,750**	**$4,212,045**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Long-term debt, current portion	$139,464	$125,076
Vendor Financing, current portion	57,388	57,388
Accounts payable, accrued liabilities & other current liabilities	54,247	52,688
Fair value of financial instruments, current portion	126,705	130,100
	377,804	365,252
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	3,072,276	3,097,472
Vendor financing, net of current portion	110,994	121,754
Fair value of financial instruments, net of current portion	146,407	176,948
Other long-term liabilities	11,225	10,315
	3,340,902	3,406,489
STOCKHOLDERS' EQUITY		
Common stock	1,096	1,096
Additional paid-in capital	546,023	546,023
Accumulated other comprehensive loss	(322,963)	(353,271)
Retained earnings	259,888	246,456
	484,044	440,304
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$4,202,750**	**$4,212,045**

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

	Three months ended March 31, 2013	Three months ended March 31, 2012
Operating Activities:		
Net income	$13,432	$9,342
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	33,983	31,681
Amortization of deferred drydocking & special survey costs, finance cost and other finance fees accrued	6,571	4,863
Stock based compensation	—	23
Payments for drydocking/special survey	245	(2,035)
Amortization of deferred realized losses on cash flow interest rate swaps	990	649
Realized loss on cash flow interest rate swaps deferred in Other Comprehensive Loss	—	(2,951)
Unrealized (gain)/loss on derivatives	(4,404)	(4,839)
Loss on sale of vessels	15	—
Accounts receivable	(9,355)	(1,844)
Other assets, current and non-current	4,748	7,554
Accounts payable and accrued liabilities	1,857	5,498
Other liabilities, current and non-current	591	17,878
Net Cash provided by Operating Activities	**48,673**	**65,819**
Investing Activities:		
Vessels under construction and vessels additions	(981)	(183,874)
Net proceeds from sale of vessel	16,850	—
Net Cash provided by/(used in) Investing Activities	**15,869**	**(183,874)**
Financing Activities:		
Debt draw downs	—	117,320
Debt repayment	(22,368)	(11,607)
Deferred costs	—	(100)
Increase in restricted cash	(15,998)	2,812
Net Cash (used in)/provided by Financing Activities	**(38,366)**	**108,425**
Net Increase/(Decrease) in cash and cash equivalents	26,176	(9,630)
Cash and cash equivalents, beginning of period	55,628	51,362
Cash and cash equivalents, end of period	**$81,804**	**$41,732**

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

	Three months ended March 31, 2013	Three months ended March 31, 2012
Net income	$13,432	$9,342
Depreciation	33,983	31,681
Amortization of deferred drydocking & special survey costs	1,730	1,202
Amortization of deferred finance costs and other finance fees accrued	4,841	3,661
Amortization of deferred realized losses on interest rate swaps	990	649
Interest income	(492)	(353)
Interest expense	22,864	18,390
Loss on sale of vessels	15	—
Stock based compensation	—	23
Realized loss on derivatives	35,625	34,794
Unrealized (gain)/loss on derivatives	(4,404)	(2,951)
Adjusted EBITDA[(1)]	**$108,584**	**$96,438**

1) Adjusted EBITDA represents net income before interest income and expense, depreciation, amortization of deferred drydocking & special survey costs and deferred finance costs, unrealized (gain)/loss on derivatives, 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 months ended March 31, 2013 and 2012. 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.