World – Class Shipping, Leading – Edge Expertise

DANAOS CORPORATION

Danaos Corporation Reports Second Quarter and Half Year Results for the Period Ended June 30, 2013.

Athens, Greece, July 29, 2013 – Danaos Corporation ("Danaos") (NYSE: DAC), a leading international owner of containerships, today reported unaudited results for the period ended June 30, 2013.

Highlights for the Second Quarter and Half Year Ended June 30, 2013:

- **Operating revenues of $146.6 million for the three months ended June 30, 2013 compared to $146.7 million for the three months ended June 30, 2012, a decrease of 0.1%. Operating revenues of $292.7 million for the six months ended June 30, 2013 compared to $280.9 million for the six months ended June 30, 2012, an increase of 4.2%.**
- **Adjusted EBITDA[1] of $107.4 million for the three months ended June 30, 2013 compared to $106.7 million for the three months ended June 30, 2012, an increase of 0.7%. Adjusted EBITDA[1] of $216.0 million for the six months ended June 30, 2013 compared to $203.2 million for the six months ended June 30, 2012, an increase of 6.3%.**
- **Adjusted net income[1] of $11.8 million, or $0.11 per share, for the three months ended June 30, 2013 compared to $16.2 million, or $0.15 per share, for the three months ended June 30, 2012. Adjusted net income[1] of $25.7 million, or $0.23 per share, for the six months ended June 30, 2013 compared to $33.1 million, or $0.30 per share, for the six months ended June 30, 2012.**
- **The remaining average charter duration of our fleet was 9.3 years as of June 30, 2013 (weighted by aggregate contracted charter hire).**
- **Total contracted operating revenues were $4.6 billion as of June 30, 2013, through 2028.**
- **Charter coverage of 88% for the next 12 months in terms of contracted operating days and 97% in terms of operating revenues.**

Three and Six Months Ended June 30, 2013
Financial Summary
(Expressed in thousands of United States dollars, except per share amounts)

	Three months ended June 30, 2013	Three months ended June 30, 2012	Six months ended June 30, 2013	Six months ended June 30, 2012
			(unaudited)	
Operating revenues	$146,580	$146,657	$292,668	$280,894
Net income	$19,539	$8,966	$32,971	$18,308
Adjusted net income[1]	$11,797	$16,175	$25,681	$33,113
Earnings per share	$0.18	$0.08	$0.30	$0.17
Adjusted earnings per share[1]	$0.11	$0.15	$0.23	$0.30
Weighted average number of shares (in thousands)	109,653	109,611	109,653	109,608
Adjusted EBITDA[1]	$107,402	$106,720	$215,986	$203,158

Danaos' CEO Dr. John Coustas commented:

Despite the ongoing challenging state of the containership market we are reporting yet another solid quarter with adjusted net income at $11.8 mil., or 11 cents per share and adjusted EBITDA of $107.4 million for the 2nd quarter of the year. Our adjusted net income was lower by $4.4 million when compared to the 2nd quarter of 2012 as a result of the softening of the charter market between the 2 periods. However, as the vessels that have been re-chartered at the current low rates deployed under short-term charters are currently running at operating break-even levels, an improvement in the charter market is a one-way option to the improvement of our results.

[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.

Effectively, over the next 12 months 97% of revenues are contracted with only 3% at stake through re-chartering. We currently have 2 vessels on cold lay-up compared to 7 vessels laid up in the beginning of the year. As previously reported, we are executing a fleet modernization program based on which during the 1st half of the year we have sold 5 of our older vessels with an average age of 25 years for $32.8 million, while we have already utilized $17.9 mil. of these sales proceeds for the purchase of 2 x 2,500 TEU geared containerships with an average age of 13.4 years. These 2 new vessels have already been chartered for 1 year and operate in niche markets.

We have already commenced the rapid deleveraging of the company through our free cash flow generation. During the 1st half of the year we have reduced debt by $75.7 mil. while we anticipate to pay down debt by approximately a further $100 million until the end of the year.

On the market front the situation is stagnant while the liner companies are struggling to absorb the influx of the mega containerships amidst a weak demand environment in the main-lane trades, particularly in the Europe - Far East trade with GDP in the Eurozone expected to marginally contract in 2013 and the growth figures in China not being as robust as initially anticipated. The US economy seems to be rebounding but this is not in itself enough to drive a market improvement. The peripheral trades are doing much better and at the moment this is the only bright side of the market. The order book is currently at only 20% of the current fleet but it is clear that the surplus in shipyard capacity and the very low new building prices being offered pose a risk to the timing of the recovery of the market.

The liner companies are once again taking initiatives to mitigate losses such as announcements for General Rate Increases and the success of these measures remains to be seen. A significant initiative in this direction is the recent announcement for the formation of the P3 network by the world's 3 largest carriers, Maersk, MSC and CMA CGM which will be operative from the 2nd quarter of 2014. Such a network will undoubtedly optimize the operating performance of the anticipated 255 vessels or 2.6 mil. TEU to participate in the scheme, and offer the lowest operating costs in the market. On the other hand, the necessary cascading of tonnage will continue exerting pressure on the charter market for the panamax vessels ranging between 3,000 - 5,000 TEU.

We will continue our efforts to manage the fleet efficiently and focus on rapidly de-leveraging the company and creating value for our shareholders.

Three months ended June 30, 2013 compared to the three months ended June 30, 2012

During the three months ended June 30, 2013, Danaos had an average of 60.9 containerships compared to 62.2 containerships for the three months ended June 30, 2012. Our fleet utilization marginally declined to 94.1% in the three months ended June 30, 2013 compared to 94.5% in the three months ended June 30, 2012. During the three months ended June 30, 2013, our fleet utilization for the fleet under employment was 98.1% (which excludes the vessels on lay up). During the three months ended June 30, 2013, we sold two vessels, the *Honour* and the *Elbe,* for an aggregate amount of $14.0 million, which represents the gross sale proceeds less commissions and we acquired a 2,452 TEU containership, the *Amalia C*, built in 1998, and a 2,602 TEU containership, the *Niledutch Zebra*, built in 2001.

Our adjusted net income was $11.8 million, or $0.11 per share, for the three months ended June 30, 2013 compared to $16.2 million, or $0.15 per share, for the three months ended June 30, 2012. We have adjusted our net income in the three months ended June 30, 2013 for unrealized gains on derivatives of $12.4 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) and a gain on sale of vessels of $0.2 million. Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

The decrease of 27.2%, or $4.4 million, in adjusted net income for the three months ended June 30, 2013 compared to the three months ended June 30, 2012, was mainly the result of the softening of the charter market during the last year that led to the cold lay-up of certain vessels and to the re-chartering at lower rates of certain vessels that currently run at operating break-even levels while they had a positive contribution to operating income during the second quarter of 2012, as well as the sale of two vessels in the three months ended June 30, 2013. As of June 30, 2013, we had 2 vessels on cold lay-up.

On a non-adjusted basis our net income was $19.5 million, or $0.18 per share, for the three months ended June 30, 2013, compared to net income of $9.0 million, or $0.08 per share, for the three months ended June 30, 2012.

On March 27, 2013, we entered into an agreement with the lenders under our 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 and used to finance the acquisition of new containerships 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. As of June 30, 2013, we had concluded the sales of the *Henry*, the *Pride*, the *Independence*, the *Honour* and the *Elbe* and acquired a 2,452 TEU containership, the *Amalia C*, built in 1998 and a 2,602 TEU containership, the *Niledutch Zebra*, built in 2001. As of June 30, 2013, an amount of $15.6 million was recorded as non-current restricted cash with respect to this agreement.

Operating Revenues
Operating revenues decreased 0.1%, or $0.1 million, to $146.6 million in the three months ended June 30, 2013, from $146.7 million in the three months ended June 30, 2012.

Operating revenues for the three months ended June 30, 2013 reflect:

- $11.5 million of incremental revenues in the three months ended June 30, 2013 compared to the three months ended June 30, 2012, related to three 13,100 TEU containerships (the *Hyundai Smart* and the *Hyundai Speed* and the *Hyundai Ambition*, which were added to our fleet on May 3, 2012, June 7, 2012 and June 29, 2012, respectively).
- $11.6 million decrease in revenues in the three months ended June 30, 2013 compared to the three months ended June 30, 2012. This was mainly attributable to the re-chartering of certain vessels at lower charter rates compared to what these vessels were earning in the three months ended June 30, 2012, as well as the sale of two vessels in the three months ended June 30, 2013.

Vessel Operating Expenses
Vessel operating expenses increased 0.6%, or $0.2 million, to $31.6 million in the three months ended June 30, 2013, from $31.4 million in the three months ended June 30, 2012. The increase in vessel operating expenses was mainly attributable to the higher scheduled repair and maintenance expenses in the three months ended June 30, 2013 compared to the three months ended June 30, 2012, which was partially offset by the reduced average number of vessels in our fleet during the three months ended June 30, 2013 compared to the three months ended June 30, 2012.

The average daily operating cost per vessel increased to $6,160 for the three months ended June 30, 2013, from $5,994 for the three months ended June 30, 2012 (excluding vessels on lay-up).

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

Depreciation
Depreciation expense decreased 2.8%, or $1.0 million, to $34.2 million in the three months ended June 30, 2013, from $35.2 million in the three months ended June 30, 2012. The decrease in depreciation expense was mainly due to the reduced cost base of certain vessels for which we recognized impairment charges as of December 31, 2012, which was partially offset by the increased depreciation expense of our larger vessels delivered in 2012 with higher cost base.

Amortization of Deferred Dry-docking and Special Survey Costs
Amortization of deferred dry-docking and special survey costs was $1.4 million in the three months ended June 30, 2013 and 2012, respectively.

General and Administrative Expenses
General and administrative expenses decreased 9.6%, or $0.5 million, to $4.7 million in the three months ended June 30, 2013, from $5.2 million in the three months ended June 30, 2012. The decrease was mainly the result of reduced fees paid to our Manager in the three months ended June

30, 2013 compared to the three months ended June 30, 2012, due to the decrease in the average number of vessels in our fleet, as well as decreases in various general and administrative expenses in the three months ended June 30, 2013 compared to the three months ended June 30, 2012.

Other Operating Expenses
Other Operating Expenses includes Voyage Expenses

Voyage Expenses
Voyage expenses decreased by $0.6 million, to $2.8 million in the three months ended June 30, 2013, from $3.4 million in the three months ended June 30, 2012. The decrease was mainly the result of decreases in various voyage expenses, mainly due to the decrease in the average number of vessels in our fleet in the three months ended June 30, 2013 compared to the three months ended June 30, 2012.

Gain on sale of vessels
Gain on sale of vessels, was a gain of $0.2 million in the three months ended June 30, 2013 compared to a gain of $0.8 million in the three months ended June 30, 2012. During the three months ended June 30, 2013, we sold and delivered the *Honour* and the *Elbe* (on May 14, 2013 and June 13, 2013, respectively) and we realized a net gain on these sales of $0.2 million in aggregate. During the three months ended June 30, 2012, we sold and delivered the *Montreal* (on April 27, 2012) and we realized a net gain on this sale of $0.8 million.

Interest Expense and Interest Income
Interest expense increased by 8.4%, or $1.8 million, to $23.3 million in the three months ended June 30, 2013, from $21.5 million in the three months ended June 30, 2012. The change in interest expense was due to the increase in our average debt by $68.0 million, to $3,347.5 million in the three months ended June 30, 2013, from $3,279.5 million in the three months ended June 30, 2012. 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 nil interest being capitalized for the three months ended June 30, 2013, following the completion of our newbuilding program in June 2012.

Interest income was $0.5 million in the three months ended June 30, 2013 compared to $0.4 million in the three months ended June 30, 2012.

Other finance costs, net
Other finance costs, net, increased by $0.9 million, to $5.0 million in the three months ended June 30, 2013, from $4.1 million in the three months ended June 30, 2012. This increase was due to the $0.4 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 June 30, 2013 compared to the three months ended June 30, 2012.

Unrealized gain/(loss) on derivatives
Unrealized gain/(loss) on interest rate swap hedges was a gain of $12.4 million in the three months ended June 30, 2013 compared to a gain of $1.6 million in the three months ended June 30, 2012. The unrealized gains were attributable to mark to market valuation of our swaps, as well as reclassification of 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, decreased by $1.4 million, to $37.2 million in the three months ended June 30, 2013, from $38.6 million in the three months ended June 30, 2012. This decrease is mainly attributable to the lower average notional amount of swaps during the three months ended June 30, 2013 compared to the three months ended June 30, 2012, which was partially offset by the $2.2 million of realized losses that had been deferred during the three months ended June 30, 2012 (as discussed below) and were not deferred in the three months ended June 30, 2013.

With all our newbuildings having been delivered no realized losses on cash flow hedges were deferred during the three months ended June 30, 2013. During the three months ended June 30, 2012, realized losses on cash flow hedges of $2.2 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 June 30, 2013 and 2012:

	Three months ended June 30, 2013	Three months ended June 30, 2012
	(in millions)	
Total realized losses of swaps	$(37.2)	$(40.8)
Realized losses of swaps deferred in OCL	—	2.2
Realized losses of swaps expensed in P&L	**(37.2)**	**(38.6)**
Realized losses attributable to overhedging	—	5.8
Adjusted realized losses attributable to hedged debt	**$(37.2)**	**$(32.8)**

Adjusted EBITDA

Adjusted EBITDA increased 0.7%, or $0.7 million, to $107.4 million in the three months ended June 30, 2013, from $106.7 million in the three months ended June 30, 2012. Adjusted EBITDA for the three months ended June 30, 2013, is adjusted for unrealized gain on derivatives of $12.4 million, realized losses on derivatives of $36.2 million and a gain on sale of vessels of $0.2 million. Tables reconciling Adjusted EBITDA to Net Income can be found at the end of this earnings release.

Six months ended June 30, 2013 compared to the six months ended June 30, 2012

During the six months ended June 30, 2013, Danaos had an average of 62.0 containerships compared to 61.2 containerships for the six months ended June 30, 2012. Our fleet utilization declined to 91.8% in the six months ended June 30, 2013 compared to 94.5% in the six months ended June 30, 2012, mainly due to the 772 days for which certain of our vessels were off-charter and laid-up in the six months ended June 30, 2013 compared to 506 days for which certain of our vessels were off-charter and laid-up in the six months ended June 30, 2012. During the six months ended June 30, 2013, our fleet utilization for the fleet under employment was 98.6% (which excludes the vessels on lay up). During the six months ended June 30, 2013, we sold five of our older vessels, the *Henry,* the *Pride,* the *Independence*, the *Honour* and the *Elbe*, for an aggregate amount of $32.8 million (representing the gross sale proceeds less commissions), a portion of which was utilized to acquire a 2,452 TEU containership, the *Amalia C*, built in 1998, for a contract price of $6.6 million and a 2,602 TEU containership, the *Niledutch Zebra*, built in 2001, for a contract price of $10.1 million. Of the vessels sold, only the Elbe had been employed.

Our adjusted net income was $25.7 million, or $0.23 per share, for the six months ended June 30, 2013 compared to $33.1 million, or $0.30 per share, for the six months ended June 30, 2012. We have adjusted our net income in the six months ended June 30, 2013 for unrealized gains on derivatives of $16.8 million, as well as a non-cash expense of $9.6 million for fees related to our comprehensive financing plan (comprised of non-cash, amortizing and accrued finance fees) and a gain on sale of vessels of $0.2 million. Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

The decrease of 22.4%, or $7.4 million, in adjusted net income for the six months ended June 30, 2013 compared to the six months ended June 30, 2012, was mainly the result of the softening of the charter market during the last year that led to the cold lay-up of certain vessels, the re-chartering of certain vessels at lower rates, as well as the sale of 5 vessels during the first six months ended June 30, 2013. 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 net income. As of June 30, 2013, we only had 2 vessels on cold lay-up.

On a non-adjusted basis our net income was $33.0 million, or $0.30 per share, for the six months ended June 30, 2013, compared to net income of $18.3 million, or $0.17 per share, for the six months ended June 30, 2012.

Operating Revenues
Operating revenues increased 4.2%, or $11.8 million, to $292.7 million in the six months ended June 30, 2013, from $280.9 million in the six months ended June 30, 2012.

Operating revenues for the six months ended June 30, 2013 reflect:

- $37.3 million of incremental revenues in the six months ended June 30, 2013 compared to the six months ended June 30, 2012, related to five 13,100 TEU containerships (the *Hyundai Together*, the *Hyundai Tenacity*, the *Hyundai Smart*, the *Hyundai Speed* and the *Hyundai Ambition*, which were added to our fleet on February 16, 2012, March 8, 2012, May 3, 2012, June 7, 2012 and June 29, 2012, respectively) and one 8,530 TEU containership (the *CMA CGM Melisande*, which was added to our fleet on February 28, 2012).

- $25.5 million decrease in revenues in the six months ended June 30, 2013 compared to the six months ended June 30, 2012. This was mainly attributable to the re-chartering of certain vessels at lower charter rates compared to what these vessels were earning in the six months ended June 30, 2012, the sale of five vessels in the six months ended June 30, 2013, as well as reduced revenue of our fleet in the six months ended June 30, 2013 compared to the six months ended June 30, 2012 due to the one additional operating day in February 2012 compared to February 2013.

Vessel Operating Expenses
Vessel operating expenses decreased 1.0%, or $0.6 million, to $60.9 million in the six months ended June 30, 2013, from $61.5 million in the six months ended June 30, 2012. The reduction is mainly attributable to the reduced costs of 4.3 vessels on average which were laid up during the six months ended June 30, 2013 compared to 2.8 vessels laid up on average during the six months ended June 30, 2012. The overall decrease in vessel operating expenses was offset in part by the increased average number of vessels in our fleet during the six months ended June 30, 2013 compared to the six months ended June 30, 2012.

The average daily operating cost per vessel increased to $6,039 for the six months ended June 30, 2013, from $5,970 for the six months ended June 30, 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 1.8%, or $1.2 million, to $68.1 million in the six months ended June 30, 2013, from $66.9 million in the six months ended June 30, 2012. The increase in depreciation expense was due to the increased average number of vessels in our fleet during the six months ended June 30, 2013 compared to the six months ended June 30, 2012, which was partially offset by the reduced cost base of certain vessels for which we recognized impairment charges as of December 31, 2012.

Amortization of Deferred Dry-docking and Special Survey Costs
Amortization of deferred dry-docking and special survey costs increased 23.1%, or $0.6 million, to $3.2 million in the six months ended June 30, 2013, from $2.6 million in the six months ended June 30, 2012. The increase reflects increased dry-docking and special survey costs incurred within the year and amortized during the six months ended June 30, 2013 compared to the six months ended June 30, 2012.

General and Administrative Expenses
General and administrative expenses decreased 4.0%, or $0.4 million, to $9.7 million in the six months ended June 30, 2013, from $10.1 million in the six months ended June 30, 2012. The decrease was mainly the result of a reduction in various general and administrative expenses in the six months ended June 30, 2013 compared to the six months ended June 30, 2012, which was partially offset by an increase in fees paid to our Manager in the six months ended June 30, 2013 compared to the six months ended June 30, 2012, due to the increase in the average number of vessels in our fleet.
Gain on sale of vessels
Gain on sale of vessels, was a gain of $0.2 million in the six months ended June 30, 2013 compared to a gain of $0.8 million in the six months ended June 30, 2012. During the six months ended June 30, 2013, we sold and delivered the *Independence,* the *Henry,* the *Pride,* the *Honour* and the *Elbe* (on

February 13, 2013, February 28, 2013, March 25, 2013, May 14, 2013 and June 13, 2013, respectively) and we realized a net gain on these sales of $0.2 million in aggregate. During the six months ended June 30, 2012, we sold and delivered the *Montreal* (on April 27, 2012) and we realized a net gain on this sale of $0.8 million.

Other Operating Expenses
Other Operating Expenses includes Voyage Expenses

Voyage Expenses
Voyage expenses decreased by $0.4 million, to $5.9 million in the six months ended June 30, 2013, from $6.3 million in the six months ended June 30, 2012. The decrease was the result of a reduction in various voyage expenses.

Interest Expense and Interest Income
Interest expense increased by 15.8%, or $6.3 million, to $46.2 million in the six months ended June 30, 2013, from $39.9 million in the six months ended June 30, 2012. The change in interest expense was due to the increase in our average debt by $165.7 million, to $3,368.0 million in the six months ended June 30, 2013, from $3,202.3 million in the six months ended June 30, 2012. 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 nil interest being capitalized for the six months ended June 30, 2013, following the completion of our newbuilding program in June 2012.

Interest income was $1.0 million in the six months ended June 30, 2013 compared to $0.8 million in the six months ended June 30, 2012.

Other finance costs, net
Other finance costs, net, increased by $2.1 million, to $10.1 million in the six months ended June 30, 2013, from $8.0 million in the six months ended June 30, 2012. This increase was due to the $1.1 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 $1.0 million (which accrete in our Statement of Income over the term of the respective facilities) in the six months ended June 30, 2013 compared to the six months ended June 30, 2012.

Unrealized gain/(loss) on derivatives
Unrealized gain/(loss) on interest rate swap hedges was a gain of $16.8 million in the six months ended June 30, 2013 compared to a gain of $4.6 million in the six months ended June 30, 2012. The unrealized gains were attributable to mark to market valuation of our swaps, as well as reclassification of 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, decreased by $0.2 million, to $73.8 million in the six months ended June 30, 2013, from $74.0 million in the six months ended June 30, 2012. This decrease is mainly attributable to the lower average notional amount of swaps during the six months ended June 30, 2013 compared to the six months ended June 30, 2012, which was partially offset by $7.0 million of realized losses that had been deferred during the six months ended June 30, 2012 (as discussed below) and were not deferred in the six months ended June 30, 2013.

With all our newbuildings having been delivered no realized losses on cash flow hedges were deferred during the six months ended June 30, 2013. During the six months ended June 30, 2012, realized losses on cash flow hedges of $7.0 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 six months ended June 30, 2013 and 2012:

	Six months ended June 30, 2013	Six months ended June 30, 2012
	(in millions)	
Total realized losses of swaps	$(73.8)	$(81.0)
Realized losses of swaps deferred in OCL	—	7.0
Realized losses of swaps expensed in P&L	**(73.8)**	**(74.0)**
Realized losses attributable to overhedging	—	12.6
Adjusted realized losses attributable to hedged debt	**$(73.8)**	**$(61.4)**

Adjusted EBITDA
Adjusted EBITDA increased 6.3%, or $12.8 million, to $216.0 million in the six months ended June 30, 2013, from $203.2 million in the six months ended June 30, 2012. Adjusted EBITDA for the six months ended June 30, 2013, is adjusted for unrealized gain on derivatives of $16.8 million, realized losses on derivatives of $71.8 million and a gain on sale of vessels of $0.2 million. Tables reconciling Adjusted EBITDA to Net Income can be found at the end of this earnings release.

Recent news
On July 26, 2013, at our annual meeting of stockholders, Mr. Miklós Konkoly-Thege was re-elected as Class III director for a three-year term expiring at the annual meeting of our stockholders in 2016. Our stockholders also ratified the appointment of PricewaterhouseCoopers S.A. as our independent auditors.

Conference Call and Webcast
On Tuesday, July 30, 2013, at 10:00 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 7, 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 352,065 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

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 287 unscheduled off-hire days in the three months ended June 30, 2013 (including 226 days related to the *Marathonas* and the *Duka*, which have been off-charter and laid up, as well as the *Honour* (which has been off-charter and laid up until the date it was sold during the current quarter)). The following table summarizes vessel utilization and the impact of the off-hire days on the Company's revenue.

Vessel Utilization (No. of Days)	First Quarter 2012	Second Quarter 2012	Third Quarter 2012	Fourth Quarter 2012	First Quarter 2013	Second Quarter 2013
Ownership Days	5,471	5,663	5,888	5,888	5,677	5,541
Less Off-hire Days:						
Scheduled Off-hire Days	(49)	(45)	(58)	(57)	—	(39)
Other Off-hire Days	(254)	(266)	(376)	(508)	(593)	(287)
Operating Days	**5,168**	**5,352**	**5,454**	**5,323**	**5,084**	**5,215**
Vessel Utilization	**94.5%**	**94.5%**	**92.6%**	**90.4%**	**89.6%**	**94.1%**
Operating Revenues (in '000s of US Dollars)	**$134,237**	**$146,657**	**$156,289**	**$151,826**	**$146,088**	**$146,580**
Average Gross Daily Charter Rate	**$25,975**	**$27,402**	**$28,656**	**$28,523**	**$28,735**	**$28,107**

Fleet List

The following table describes in detail our fleet deployment profile as of July 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	4,651	1992	Laid-up
Federal[4]	4,651	1994	March 2014
SNL Colombo	4,300	2004	March 2019
YM Singapore	4,300	2004	October 2019
YM Seattle	4,253	2007	July 2019
YM Vancouver	4,253	2007	September 2019
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
Hope	3,908	1989	August 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	August 2013
Kalamata	2,917	1991	September 2013
Komodo	2,917	1991	October 2013

Niledutch Zebra	2,602	2001	June 2014
Amalia C	2,452	1998	June 2014
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 April 6, 2013, the *Hyundai Federal* was renamed to *Federal* at the request of the charterer of this vessel.

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

	Three months ended June 30, 2013	Three months ended June 30, 2012	Six months ended June 30, 2013	Six months ended June 30, 2012
OPERATING REVENUES	**$146,580**	**$146,657**	**$292,668**	**$280,894**
OPERATING EXPENSES				
Vessel operating expenses	(31,621)	(31,392)	(60,914)	(61,487)
Depreciation & amortization	(35,613)	(36,638)	(71,326)	(69,521)
General & administrative	(4,746)	(5,247)	(9,663)	(10,084)
Gain on sale of vessels	171	830	156	830
Other operating expenses	(2,822)	(3,366)	(5,879)	(6,256)
Income From Operations	**71,949**	**70,844**	**145,042**	**134,376**
OTHER EARNINGS/(EXPENSES)				
Interest income	521	401	1,013	754
Interest expense	(23,292)	(21,460)	(46,156)	(39,850)
Other finance cost, net	(5,016)	(4,102)	(10,093)	(7,959)
Other income/(expenses), net	232	280	231	476
Realized (loss)/gain on derivatives	(37,221)	(38,602)	(73,836)	(74,045)
Unrealized gain/(loss) on derivatives	12,366	1,605	16,770	4,556
Total Other Income/(Expenses), net	**(52,410)**	**(61,878)**	**(112,071)**	**(116,068)**
Net Income	**$19,539**	**$8,966**	**$32,971**	**$18,308**
EARNINGS PER SHARE				
Basic & diluted net income per share	$0.18	$0.08	$0.30	$0.17
Basic & diluted weighted average number of common shares (in thousands of shares)	109,653	109,611	109,653	109,608

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

	Three months ended June 30, 2013	Three months ended June 30, 2012	Six months ended June 30, 2013	Six months ended June 30, 2012
Net income	$19,539	$8,966	$32,971	$18,308
Unrealized (gain)/loss on derivatives	(12,366)	(1,605)	(16,770)	(4,556)
Realized loss on over-hedging portion of derivatives	—	5,762	—	12,648
Amortization of financing fees & finance fees accrued	4,795	3,882	9,636	7,543
Gain on sale of vessels	(171)	(830)	(156)	(830)
Adjusted Net Income	**$11,797**	**$16,175**	**$25,681**	**$33,113**
Adjusted Earnings Per Share	**$0.11**	**$0.15**	**$0.23**	**$0.30**
Weighted average number of shares	109,653	109,611	109,653	109,608

* 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, 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 June 30, 2013	As of December 31, 2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$75,034	$55,628
Restricted cash	2,815	2,821
Accounts receivable, net	10,669	3,741
Other current assets	30,066	36,483
	118,584	98,673
NON-CURRENT ASSETS		
Fixed assets, net	3,906,431	3,986,138
Restricted cash, net of current portion	16,026	430
Deferred charges, net	77,951	88,821
Fair value of financial instruments	4,324	2,908
Other non-current assets	35,852	35,075
	4,040,584	4,113,372
TOTAL ASSETS	**$4,159,168**	**$4,212,045**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Long-term debt, current portion	$145,941	$125,076
Vendor Financing, current portion	57,388	57,388
Accounts payable, accrued liabilities & other current liabilities	52,161	52,688
Fair value of financial instruments, current portion	120,881	130,100
	376,371	365,252
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	3,031,227	3,097,472
Vendor financing, net of current portion	93,060	121,754
Fair value of financial instruments, net of current portion	112,279	176,948
Other long-term liabilities	12,145	10,315
	3,248,711	3,406,489
STOCKHOLDERS' EQUITY		
Common stock	1,097	1,096
Additional paid-in capital	546,022	546,023
Accumulated other comprehensive loss	(292,460)	(353,271)
Retained earnings	279,427	246,456
	534,086	440,304
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$4,159,168**	**$4,212,045**

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

	Three months ended June 30,	Three months ended June 30,	Six months ended June 30,	Six months ended June 30,
	2013	**2012**	**2013**	**2012**
Operating Activities:				
Net income	$19,539	$8,966	$32,971	$18,308
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	34,164	35,226	68,147	66,907
Amortization of deferred drydocking & special survey costs, finance cost and other finance fees accrued	6,244	5,294	12,815	10,157
Stock based compensation	—	8	—	31
Payments for drydocking/special survey	(667)	(2,123)	(422)	(4,158)
Amortization of deferred realized losses on cash flow interest rate swaps	1,002	850	1,992	1,499
Realized loss on cash flow interest rate swaps deferred in Other Comprehensive Loss	—	(2,196)	—	(7,035)
Unrealized (gain)/loss on derivatives	(12,366)	(1,605)	(16,770)	(4,556)
Gain on sale of vessels	(171)	(830)	(156)	(830)
Accounts receivable	2,427	581	(6,928)	(1,263)
Other assets, current and non-current	892	(1,103)	5,640	(2,677)
Accounts payable and accrued liabilities	(3,026)	3,824	(1,169)	9,322
Other liabilities, current and non-current	1,838	13,452	2,429	40,458
Net Cash provided by Operating Activities	**49,876**	**60,344**	**98,549**	**126,163**
Investing Activities:				
Vessel additions, vessel acquisitions and vessels under construction	(16,776)	(191,403)	(17,757)	(375,277)
Net proceeds from sale of vessels	13,025	5,635	29,875	5,635
Net Cash (used in)/provided by Investing Activities	**(3,751)**	**(185,768)**	**12,118**	**(369,642)**
Financing Activities:				
Debt draw downs	—	149,600	—	266,920
Debt repayment	(53,303)	(15,537)	(75,671)	(27,144)
Deferred costs	—	—	—	(100)
Decrease/(Increase) in restricted cash	408	(3,153)	(15,590)	(341)
Net Cash (used in)/ provided by Financing Activities	**(52,895)**	**130,910**	**(91,261)**	**239,335**
Net Increase/(Decrease) in cash and cash equivalents	(6,770)	5,486	19,406	(4,144)
Cash and cash equivalents, beginning of period	81,804	41,732	55,628	51,362
Cash and cash equivalents, end of period	**$75,034**	**$47,218**	**$75,034**	**$47,218**

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

	Three months ended June 30, 2013	Three months ended June 30, 2012	Six months ended June 30, 2013	Six months ended June 30, 2012
Net income	$19,539	$8,966	$32,971	$18,308
Depreciation	34,164	35,226	68,147	66,907
Amortization of deferred drydocking & special survey costs	1,449	1,412	3,179	2,614
Amortization of deferred finance costs and other finance fees accrued	4,795	3,882	9,636	7,543
Amortization of deferred realized losses on interest rate swaps	1,002	850	1,992	1,499
Interest income	(521)	(401)	(1,013)	(754)
Interest expense	23,292	21,460	46,156	39,850
Gain on sale of vessels	(171)	(830)	(156)	(830)
Stock based compensation	—	8	—	31
Realized loss on derivatives	36,219	37,752	71,844	72,546
Unrealized (gain)/loss on derivatives	(12,366)	(1,605)	(16,770)	(4,556)
Adjusted EBITDA[(1)]	**$107,402**	**$106,720**	**$215,986**	**$203,158**

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 and gain/(loss) on sale of vessels. 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, 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.