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DANAOS CORPORATION

Danaos Corporation Reports Third Quarter and Nine Months Results for the Period Ended September 30, 2013.

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

Highlights for the Third Quarter and Nine Months Ended September 30, 2013:

- **Operating revenues of $148.4 million for the three months ended September 30, 2013 compared to $156.3 million for the three months ended September 30, 2012, a decrease of 5.1%. Operating revenues of $441.1 million for the nine months ended September 30, 2013 compared to $437.2 million for the nine months ended September 30, 2012, an increase of 0.9%.**
- **Adjusted EBITDA[1] of $109.5 million for the three months ended September 30, 2013 compared to $116.2 million for the three months ended September 30, 2012, a decrease of 5.8%. Adjusted EBITDA[1] of $325.5 million for the nine months ended September 30, 2013 compared to $319.3 million for the nine months ended September 30, 2012, an increase of 1.9%.**
- **Adjusted net income[1] of $13.4 million, or $0.12 per share, for the three months ended September 30, 2013 compared to $15.6 million, or $0.14 per share, for the three months ended September 30, 2012. Adjusted net income[1] of $39.1 million, or $0.36 per share, for the nine months ended September 30, 2013 compared to $48.8 million, or $0.44 per share, for the nine months ended September 30, 2012.**
- **The remaining average charter duration of our fleet was 9.0 years as of September 30, 2013 (weighted by aggregate contracted charter hire).**
- **Total contracted operating revenues were $4.5 billion as of September 30, 2013, through 2028.**
- **Charter coverage of 89% for the next 12 months in terms of contracted operating days and 97% in terms of operating revenues.**

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

	Three months ended September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
			(unaudited)	
Operating revenues	$148,448	$156,289	$441,116	$437,183
Net income/(loss)	$8,788	$(7,034)	$41,759	$11,274
Adjusted net income[1]	$13,402	$15,641	$39,083	$48,754
Earnings per share	$0.08	($0.06)	$0.38	$0.10
Adjusted earnings per share[1]	$0.12	$0.14	$0.36	$0.44
Weighted average number of shares (in thousands)	109,653	109,613	109,653	109,609
Adjusted EBITDA[1]	$109,473	$116,164	$325,459	$319,322

Danaos' CEO Dr. John Coustas commented:

The third quarter of 2013 has been an uneventful one for the containership industry as the overall fundamentals have remained weak and all metrics inevitably lead to the conclusion that 2013 will be a sluggish year. The liner companies, in their attempt to manage over-capacity on the Europe - Far East route where they need to deploy the super post panamaxes being delivered, are cascading smaller

[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.

post-panamaxes to North - South trades thereby creating over-capacity in these routes that has led to a significant decrease in box rates. This also affects the charter market of the panamax segment because of the cascading effect.

The excess in shipbuilding capacity remains a risk factor on the supply side partially mitigated by increased scrapping activity over the last 12 months. However, the fact is that a sustainable recovery in the containership market will ultimately be driven by the rationalization of liner networks and demand growth, with the main determining factor in the medium term being the return of Eurozone to positive GDP growth.

Danaos is reporting yet another solid quarter with adjusted net income of $13.4 million, or 12 cents per share, $2.2 million lower than the third quarter of 2012 due to the weaker charter market today when compared to 1 year ago. However, the few vessels in our fleet deployed under short term charters represent only 3% of our revenues and already operate close to break-even levels. This means that while we are insulated from a prolonged weak charter market with our 97% contract coverage, an improvement in the market fundamentals can only mean upside for our results.

Another visible upside driver of our results in the coming quarters is the anticipated reduction in finance costs as a result of the rapid de-leveraging of the company in combination with the expiration of swap contracts. During the first nine months of the year we have reduced debt by $120 million, while we anticipate paying down debt by approximately a further $50 million until the end of 2013.

We continue to execute our fleet modernization program having sold 8 of our older vessels with an average age of 25 years for net proceeds of $52.3 million and we are still scanning the market for accretive acquisition opportunities of younger tonnage to complement the recent additions of two 2,500 TEU geared containerships to our fleet.

With a resilient business model both from an operating and financial standpoint, we will continue to manage our fleet efficiently, while we will continue focusing on the rapid de-leveraging the company and the creation of value for our shareholders.

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

During the three months ended September 30, 2013, Danaos had an average of 61.0 containerships compared to 64.0 containerships for the three months ended September 30, 2012. Our fleet utilization increased to 94.8% in the three months ended September 30, 2013 compared to 92.6% in the three months ended September 30, 2012, while the effective utilization for the fleet under employment, excluding two vessels on lay up, was 98.0%. During the three months ended September 30, 2013, we entered into an agreement to sell two vessels, the *Hope* and the *Kalamata* (the *Kalamata* was under time charter as of September 30, 2013), while in October 2013, we entered into an agreement to sell the *Lotus*. All three vessels have been delivered to their buyers within October 2013.

Our adjusted net income was $13.4 million, or $0.12 per share, for the three months ended September 30, 2013 compared to $15.6 million, or $0.14 per share, for the three months ended September 30, 2012. We have adjusted our net income in the three months ended September 30, 2013 for unrealized gains on derivatives of $0.2 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 14.1%, or $2.2 million, in adjusted net income for the three months ended September 30, 2013 compared to the three months ended September 30, 2012, was mainly the result of decreased operating revenues due to the softening of the charter market during the course of the last year. As of September 30, 2013, we had 2 vessels on cold lay-up.

On a non-adjusted basis our net income was $8.8 million, or $0.08 per share, for the three months ended September 30, 2013, compared to net loss of $7.0 million, or $0.06 per share, for the three months ended September 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 September 30, 2013, we had concluded the sales of the *Henry*, the *Pride*, the *Independence*, the *Honour*, the *Elbe* and we have entered into an agreement to sell the *Hope* and the *Kalamata* and in October 2013, an agreement to sell the *Lotus*. We have 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 September 30, 2013, an amount of $19.9 million was recorded as non-current restricted cash with respect to this agreement.

Operating Revenues
Operating revenues decreased 5.1%, or $7.9 million, to $148.4 million in the three months ended September 30, 2013, from $156.3 million in the three months ended September 30, 2012.

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

- $1.1 million of additional revenues in the three months ended September 30, 2013 compared to the three months ended September 30, 2012, related to the *Amalia C* and the *Niledutch Zebra*, which were added to our fleet on May 14, 2013 and June 25, 2013, respectively.
- $2.1 million decrease in revenues in the three months ended September 30, 2013 compared to the three months ended September 30, 2012, related to the *Henry*, the *Pride*, the *Honour* and the *Elbe*, which were generating revenues in the three months ended September 30, 2012 and were sold in the first half of 2013.
- $6.9 million decrease in revenues in the three months ended September 30, 2013 compared to the three months ended September 30, 2012. This was mainly attributable to the softening of the charter market between the two periods.

Vessel Operating Expenses
Vessel operating expenses decreased 1.9%, or $0.6 million, to $30.7 million in the three months ended September 30, 2013, from $31.3 million in the three months ended September 30, 2012. The decrease in vessel operating expenses was mainly attributable to the reduced average number of vessels in our fleet during the three months ended September 30, 2013 compared to the three months ended September 30, 2012.

The average daily operating cost per vessel marginally increased to $5,856 per day for the three months ended September 30, 2013, from $5,835 per day for the three months ended September 30, 2012.

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

Depreciation
Depreciation expense decreased 9.9%, or $3.8 million, to $34.7 million in the three months ended September 30, 2013, from $38.5 million in the three months ended September 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, as well as the 5 vessels sold during the first half of 2013.

Amortization of Deferred Dry-docking and Special Survey Costs
Amortization of deferred dry-docking and special survey costs decreased 18.8%, or $0.3 million, to $1.3 million in the three months ended September 30, 2013, from $1.6 million in the three months ended September 30, 2012. The decrease reflects decreased dry-docking and special survey costs incurred within the year and amortized during the three months ended September 30, 2013 compared to the three months ended September 30, 2012.

General and Administrative Expenses
General and administrative expenses decreased 3.9%, or $0.2 million, to $4.9 million in the three months ended September 30, 2013, from $5.1 million in the three months ended September 30, 2012. The decrease was mainly the result of reduced fees paid to our Manager in the three months ended

September 30, 2013 compared to the three months ended September 30, 2012, due to the decrease in the average number of vessels in our fleet.

Other Operating Expenses
Other Operating Expenses includes Voyage Expenses

Voyage Expenses
Voyage expenses decreased by $0.6 million, to $3.1 million in the three months ended September 30, 2013, from $3.7 million in the three months ended September 30, 2012. The decrease was mainly the result of the decrease in the average number of vessels in our fleet in the three months ended September 30, 2013 compared to the three months ended September 30, 2012.

Interest Expense and Interest Income
Interest expense decreased by 5.4%, or $1.3 million, to $22.9 million in the three months ended September 30, 2013, from $24.2 million in the three months ended September 30, 2012. The change in interest expense was mainly due to the decrease in our average debt by $121.2 million, to $3,302.2 million in the three months ended September 30, 2013, from $3,423.4 million in the three months ended September 30, 2012, as well as the marginal decrease in the cost of debt servicing in the three months ended September 30, 2013 compared to the three months ended September 30, 2012, mainly driven by the lower average LIBOR.

It has to be noted that we are in a rapid deleveraging mode. As of September 30, 2013, the debt outstanding was $3,274.6 million compared to $3,411.8 million as of September 30, 2012.

Interest income was $0.6 million in the three months ended September 30, 2013 compared to $0.4 million in the three months ended September 30, 2012.

Other finance costs, net
Other finance costs, net, increased by $0.1 million, to $5.1 million in the three months ended September 30, 2013, from $5.0 million in the three months ended September 30, 2012. This increase was due to the $0.1 million increase in amortizing finance fees (which were deferred and are amortized over the term of the respective credit facilities) and accrued finance fees (which accrete in our Statement of Income over the term of the respective facilities) in the three months ended September 30, 2013 compared to the three months ended September 30, 2012.

Unrealized gain/(loss) on derivatives
Unrealized gain/(loss) on interest rate swap hedges was a gain of $0.2 million in the three months ended September 30, 2013 compared to a loss of $12.9 million in the three months ended September 30, 2012. The unrealized gain is 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 $4.0 million, to $37.7 million in the three months ended September 30, 2013, from $41.7 million in the three months ended September 30, 2012. This decrease is mainly attributable to the lower average notional amount of swaps during the three months ended September 30, 2013 compared to the three months ended September 30, 2012.

Adjusted EBITDA
Adjusted EBITDA decreased 5.8%, or $6.7 million, to $109.5 million in the three months ended September 30, 2013, from $116.2 million in the three months ended September 30, 2012. Adjusted EBITDA for the three months ended September 30, 2013, is adjusted for unrealized gain on derivatives of $0.2 million and realized losses on derivatives of $36.7 million. Tables reconciling Adjusted EBITDA to Net Income can be found at the end of this earnings release.

Nine months ended September 30, 2013 compared to the nine months ended September 30, 2012

During the nine months ended September 30, 2013, Danaos had an average of 61.6 containerships compared to 62.1 containerships for the nine months ended September 30, 2012. Our fleet utilization declined to 92.8% in the nine months ended September 30, 2013 compared to 93.8% in the nine months ended September 30, 2012, mainly due to the 956 days for which certain of our vessels were

off-charter and laid-up in the nine months ended September 30, 2013 compared to 848 days for which certain of our vessels were off-charter and laid-up in the nine months ended September 30, 2012, while the effective fleet utilization for the fleet under employment was 98.4% (which excludes the vessels on lay up). During the nine months ended September 30, 2013, we sold five of our older vessels, the *Henry,* the *Pride,* the *Independence*, the *Honour* and the *Elbe*, and we have also entered into agreements to sell the *Hope* and the *Kalamata* and, in October 2013, the *Lotus*, and we have aquired 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 $39.1 million, or $0.36 per share, for the nine months ended September 30, 2013 compared to $48.8 million, or $0.44 per share, for the nine months ended September 30, 2012. We have adjusted our net income in the nine months ended September 30, 2013 for unrealized gains on derivatives of $17.0 million, as well as a non-cash expense of $14.4 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 19.9%, or $9.7 million, in adjusted net income for the nine months ended September 30, 2013 compared to the nine months ended September 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 nine months ended September 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 September 30, 2013, we only had 2 vessels on cold lay-up.

On a non-adjusted basis our net income was $41.8 million, or $0.38 per share, for the nine months ended September 30, 2013, compared to net income of $11.3 million, or $0.10 per share, for the nine months ended September 30, 2012.

Operating Revenues
Operating revenues increased 0.9%, or $3.9 million, to $441.1 million in the nine months ended September 30, 2013, from $437.2 million in the nine months ended September 30, 2012.

Operating revenues for the nine months ended September 30, 2013 reflect:

- $37.3 million of incremental revenues in the nine months ended September 30, 2013 compared to the nine months ended September 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).
- $1.1 million additional revenues in the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012, related to the *Amalia C* and the *Niledutch Zebra*, which were added to our fleet on May 14, 2013 and June 25, 2013, respectively.
- $10.2 million decrease in revenues in the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012, related to the *Montreal*, which was sold on April 27, 2012, as well as the *Henry*, the *Pride*, the *Honour* and the *Elbe*, which were generating revenues in the nine months ended September 30, 2012 and were sold during the first half of 2013.
- $24.3 million decrease in revenues in the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012. This was mainly attributable to the softening of the charter market between the two periods.

Vessel Operating Expenses
Vessel operating expenses decreased 1.3%, or $1.2 million, to $91.6 million in the nine months ended September 30, 2013, from $92.8 million in the nine months ended September 30, 2012. The reduction is mainly attributable to the decrease in the average number of vessels in our fleet during the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012.

The average daily operating cost per vessel marginally increased to $5,976 per day for the nine months ended September 30, 2013, from $5,924 per day for the nine months ended September 30, 2012.

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

Depreciation
Depreciation expense decreased 2.5%, or $2.6 million, to $102.8 million in the nine months ended September 30, 2013, from $105.4 million in the nine months ended September 30, 2012. The decrease in depreciation expense was due to the decreased average number of vessels in our fleet during the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012, as well as 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 7.1%, or $0.3 million, to $4.5 million in the nine months ended September 30, 2013, from $4.2 million in the nine months ended September 30, 2012. The increase reflects increased dry-docking and special survey costs incurred within the year and amortized during the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012.

General and Administrative Expenses
General and administrative expenses decreased 3.9%, or $0.6 million, to $14.6 million in the nine months ended September 30, 2013, from $15.2 million in the nine months ended September 30, 2012. The decrease was mainly the result of the decrease in the fees paid to our Manager in the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012, due to the decrease 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 nine months ended September 30, 2013 compared to a gain of $0.8 million in the nine months ended September 30, 2012. During the nine months ended September 30, 2013, we sold 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 nine months ended September 30, 2012, we sold 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 $1.0 million, to $9.0 million in the nine months ended September 30, 2013, from $10.0 million in the nine months ended September 30, 2012. The decrease was mainly the result of the decrease in the average number of vessels in our fleet.

Interest Expense and Interest Income
Interest expense increased by 7.8%, or $5.0 million, to $69.1 million in the nine months ended September 30, 2013, from $64.1 million in the nine months ended September 30, 2012. The change in interest expense was mainly due to the increase in our average debt by $69.4 million, to $3,345.9 million in the nine months ended September 30, 2013, from $3,276.5 million in the nine months ended September 30, 2012, which partially offset by the decrease in the cost of servicing our credit facilities in the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 (mainly due to the decrease in the average Libor). 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 nine months ended September 30, 2012 compared to nil interest being capitalized for the nine months ended September 30, 2013, following the completion of our newbuilding program in June 2012.

Interest income was $1.6 million in the nine months ended September 30, 2013 compared to $1.2 million in the nine months ended September 30, 2012.

Other finance costs, net
Other finance costs, net, increased by $2.2 million, to $15.2 million in the nine months ended September 30, 2013, from $13.0 million in the nine months ended September 30, 2012. This increase was due to the $1.2 million increase in the amortization of 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 nine months ended September 30, 2013 compared to the nine months ended September 30, 2012.

Unrealized gain/(loss) on derivatives
Unrealized gain/(loss) on interest rate swap hedges was a gain of $17.0 million in the nine months ended September 30, 2013 compared to a loss of $8.3 million in the nine months ended September 30, 2012. The unrealized gain/(loss) is 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 $4.1 million, to $111.6 million in the nine months ended September 30, 2013, from $115.7 million in the nine months ended September 30, 2012. This decrease is mainly attributable to the lower average notional amount of swaps during the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012, which was partially offset by $7.0 million of realized losses that had been deferred during the nine months ended September 30, 2012 (as discussed below) and were not deferred in the nine months ended September 30, 2013.

With all our newbuildings having been delivered no realized losses on cash flow hedges were deferred during the nine months ended September 30, 2013. During the nine months ended September 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.

Adjusted EBITDA
Adjusted EBITDA increased 1.9%, or $6.2 million, to $325.5 million in the nine months ended September 30, 2013, from $319.3 million in the nine months ended September 30, 2012. Adjusted EBITDA for the nine months ended September 30, 2013, is adjusted for unrealized gain on derivatives of $17.0 million, realized losses on derivatives of $108.6 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 October 3, 2013, we delivered the *Hope* to its buyers, following an agreement entered into on September 11, 2013 to sell the vessel. The gross sale consideration was $8.0 million. The *Hope* was 24 years old and was classified as Held for Sale as of September 30, 2013.

On October 11, 2013, we entered into an agreement to sell the *Lotus* for a gross sale consideration of $6.8 million. The *Lotus* was 25 years old and as of September 30, 2013, was under time charter, following the expiration of which was delivered to its buyer on October 25, 2013.

On October 22, 2013, we delivered the *Kalamata* to its buyers, following an agreement entered into on September 25, 2013 to sell the vessel. The gross sale consideration was $5.6 million. The *Kalamata* was 22 years old.

Conference Call and Webcast
On Wednesday, October 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 November 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 58 containerships aggregating 342,142 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 294 unscheduled off-hire days in the three months ended September 30, 2013 (including 184 days related to the *Marathonas* and the *Duka*, 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.

Vessel Utilization (No. of Days)	First Quarter 2013	Second Quarter 2013	Third Quarter 2013	Total
Ownership Days	5,677	5,541	5,612	**16,830**
Less Off-hire Days:				
Scheduled Off-hire Days	—	(39)	—	**(39)**
Other Off-hire Days	(593)	(287)	(294)	**(1,174)**
Operating Days	**5,084**	**5,215**	**5,318**	**15,617**
Vessel Utilization	**89.6%**	**94.1%**	**94.8%**	**92.8%**
Operating Revenues (in '000s of US Dollars)	**$146,088**	**$146,580**	**$148,448**	**$441,116**
Average Gross Daily Charter Rate	**$28,735**	**$28,107**	**$27,914**	**$28,246**

Vessel Utilization (No. of Days)	First Quarter 2012	Second Quarter 2012	Third Quarter 2012	Total
Ownership Days	5,471	5,663	5,888	**17,022**
Less Off-hire Days:				
Scheduled Off-hire Days	(49)	(45)	(58)	**(152)**
Other Off-hire Days	(254)	(266)	(376)	**(896)**
Operating Days	**5,168**	**5,352**	**5,454**	**15,974**
Vessel Utilization	**94.5%**	**94.5%**	**92.6%**	**93.8%**
Operating Revenues (in '000s of US Dollars)	**$134,237**	**$146,657**	**$156,289**	**$437,183**
Average Gross Daily Charter Rate	**$25,975**	**$27,402**	**$28,656**	**$27,368**

Fleet List

The following table describes in detail our fleet deployment profile as of October 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	February 2014
ZIM Rio Grande	4,253	2008	May 2020
ZIM Sao Paolo	4,253	2008	August 2020
OOCL Istanbul [5]	4,253	2008	September 2020
ZIM Monaco	4,253	2009	November 2020
OOCL Novorossiysk [6]	4,253	2009	February 2021
ZIM Luanda	4,253	2009	May 2021
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
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.
(5) On September 30, 2013, the *Zim Kingston* was renamed to *OOCL Istanbul* at the request of the charterer of this vessel.
(6) On October 28, 2013, the *Zim Dalian* was renamed to *OOCL Novorossiysk* 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 September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
OPERATING REVENUES	**$148,448**	**$156,289**	**$441,116**	**$437,183**
OPERATING EXPENSES				
Vessel operating expenses	(30,708)	(31,344)	(91,622)	(92,831)
Depreciation & amortization	(35,979)	(40,091)	(107,305)	(109,612)
General & administrative	(4,934)	(5,093)	(14,597)	(15,177)
Gain on sale of vessels	—	—	156	830
Other operating expenses	(3,108)	(3,704)	(8,987)	(9,960)
Income From Operations	**73,719**	**76,057**	**218,761**	**210,433**
OTHER EARNINGS/(EXPENSES)				
Interest income	559	426	1,572	1,180
Interest expense	(22,906)	(24,202)	(69,062)	(64,052)
Other finance cost, net	(5,057)	(5,034)	(15,150)	(12,993)
Other income/(expenses), net	27	287	258	763
Realized (loss)/gain on derivatives	(37,745)	(41,680)	(111,581)	(115,725)
Unrealized gain/(loss) on derivatives	191	(12,888)	16,961	(8,332)
Total Other Income/(Expenses), net	**(64,931)**	**(83,091)**	**(177,002)**	**(199,159)**
Net Income/(loss)	**$8,788**	**$(7,034)**	**$41,759**	**$11,274**
EARNINGS PER SHARE				
Basic & diluted net income per share	$0.08	$(0.06)	$0.38	$0.10
Basic & diluted weighted average number of common shares (in thousands of shares)	109,653	109,613	109,653	109,609

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

	Three months ended September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
Net income/(loss)	$8,788	$(7,034)	$41,759	$11,274
Unrealized (gain)/loss on derivatives	(191)	12,888	(16,961)	8,332
Realized loss on over-hedging portion of derivatives	—	5,032	—	17,680
Amortization of financing fees & finance fees accrued	4,805	4,755	14,441	12,298
Gain on sale of vessels	—	—	(156)	(830)
Adjusted Net Income	**$13,402**	**$15,641**	**$39,083**	**$48,754**
Adjusted Earnings Per Share	**$0.12**	**$0.14**	**$0.36**	**$0.44**
Weighted average number of shares	109,653	109,613	109,653	109,609

* The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that certain non-GAAP financial measures used in managing the business may provide users of this financial information additional meaningful comparisons between current results and results in prior operating periods. Management believes that these non-GAAP financial measures can provide additional meaningful reflection of underlying trends of the business because they provide a comparison of historical information that excludes certain items that impact the overall comparability. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. See the Table above for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three and nine months ended September 30, 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 September 30, 2013	As of December 31, 2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$80,494	$55,628
Restricted cash	28	2,821
Accounts receivable, net	4,437	3,741
Other current assets	33,966	36,483
	118,925	98,673
NON-CURRENT ASSETS		
Fixed assets, net	3,865,063	3,986,138
Restricted cash, net of current portion	20,299	430
Deferred charges, net	72,702	88,821
Vessel held for sale	7,731	—
Fair value of financial instruments	2,647	2,908
Other non-current assets	42,936	35,075
	4,011,378	4,113,372
TOTAL ASSETS	**$4,130,303**	**$4,212,045**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Long-term debt, current portion	$153,241	$125,076
Vendor Financing, current portion	57,388	57,388
Accounts payable, accrued liabilities & other current liabilities	58,359	52,688
Fair value of financial instruments, current portion	115,396	130,100
	384,384	365,252
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	2,990,617	3,097,472
Vendor financing, net of current portion	82,300	121,754
Fair value of financial instruments, net of current portion	86,471	176,948
Other long-term liabilities	13,076	10,315
	3,172,464	3,406,489
STOCKHOLDERS' EQUITY		
Common stock	1,097	1,096
Additional paid-in capital	546,022	546,023
Accumulated other comprehensive loss	(261,879)	(353,271)
Retained earnings	288,215	246,456
	573,455	440,304
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$4,130,303**	**$4,212,045**

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

	Three months ended September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
Operating Activities:				
Net income/(loss)	$8,788	$(7,034)	$41,759	$11,274
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	34,652	38,517	102,799	105,424
Amortization of deferred drydocking & special survey costs, finance cost and other finance fees accrued	6,132	6,329	18,947	16,486
Stock based compensation	—	8	—	39
Payments for drydocking/special survey	153	(2,182)	(269)	(6,340)
Amortization of deferred realized losses on cash flow interest rate swaps	1,012	1,012	3,004	2,511
Realized loss on cash flow interest rate swaps deferred in Other Comprehensive Loss	—	—	—	(7,035)
Unrealized (gain)/loss on derivatives	(191)	12,888	(16,961)	8,332
Gain on sale of vessels	—	—	(156)	(830)
Accounts receivable	6,232	(4,322)	(696)	(5,585)
Other assets, current and non-current	(10,984)	(35,492)	(5,344)	(38,169)
Accounts payable and accrued liabilities	896	(7,037)	(273)	2,285
Other liabilities, current and non-current	1,938	185	4,367	40,643
Net Cash provided by Operating Activities	**48,628**	**2,872**	**147,177**	**129,035**
Investing Activities:				
Vessel additions, vessel acquisitions and vessels under construction	(988)	(101)	(18,745)	(375,378)
Net proceeds from sale of vessels and deposits received in advance from vessels' sales	4,273	—	34,148	5,635
Net Cash provided by/(used in) Investing Activities	**3,285**	**(101)**	**15,403**	**(369,743)**
Financing Activities:				
Debt draw downs	—	—	—	266,920
Debt repayment	(44,867)	(15,226)	(120,538)	(42,370)
Deferred costs	(100)	—	(100)	(100)
Decrease/(Increase) in restricted cash	(1,486)	2,812	(17,076)	2,471
Net Cash (used in)/ provided by Financing Activities	**(46,453)**	**(12,414)**	**(137,714)**	**226,921**
Net Increase/(Decrease) in cash and cash equivalents	5,460	(9,643)	24,866	(13,787)
Cash and cash equivalents, beginning of period	75,034	47,218	55,628	51,362
Cash and cash equivalents, end of period	**$80,494**	**$37,575**	**$80,494**	**$37,575**

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

	Three months ended September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
Net income	$8,788	$(7,034)	$41,759	$11,274
Depreciation	34,652	38,517	102,799	105,424
Amortization of deferred drydocking & special survey costs	1,327	1,574	4,506	4,188
Amortization of deferred finance costs and other finance fees accrued	4,805	4,755	14,441	12,298
Amortization of deferred realized losses on interest rate swaps	1,012	1,012	3,004	2,511
Interest income	(559)	(426)	(1,572)	(1,180)
Interest expense	22,906	24,202	69,062	64,052
Gain on sale of vessels	—	—	(156)	(830)
Stock based compensation	—	8	—	39
Realized loss on derivatives	36,733	40,668	108,577	113,214
Unrealized (gain)/loss on derivatives	(191)	12,888	(16,961)	8,332
Adjusted EBITDA[(1)]	**$109,473**	**$116,164**	**$325,459**	**$319,322**

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 nine months ended September 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.