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DANAOS CORPORATION

Danaos Corporation Reports Fourth Quarter and Full Year Results for the Period Ended December 31, 2013.

Athens, Greece, February 10, 2014 – Danaos Corporation ("Danaos") (NYSE: DAC), a leading international owner of containerships, today reported unaudited results for the quarter and full year ended December 31, 2013.

Highlights for the Fourth Quarter and Full Year Ended December 31, 2013:

- **Operating revenues of $147.0 million for the three months ended December 31, 2013 compared to $151.8 million for the three months ended December 31, 2012, a decrease of 3.2%. Operating revenues of $588.1 million for the year ended December 31, 2013 compared to $589.0 million for the year ended December 31, 2012, a decrease of 0.2%.**
- **Adjusted EBITDA[1] of $108.8 million for the three months ended December 31, 2013 compared to $112.4 million for the three months ended December 31, 2012, a decrease of 3.2%. Adjusted EBITDA[1] of $434.3 million for the year ended December 31, 2013 compared to $431.7 million for the year ended December 31, 2012, an increase of 0.6%.**
- **Adjusted net income[1] of $15.0 million, or $0.14 per share, for the three months ended December 31, 2013 compared to $11.7 million, or $0.11 per share, for the three months ended December 31, 2012. Adjusted net income[1] of $54.0 million, or $0.49 per share, for the year ended December 31, 2013 compared to $60.5 million, or $0.55 per share, for the year ended December 31, 2012.**
- **The remaining average charter duration of our fleet was 8.9 years as of December 31, 2013 (weighted by aggregate contracted charter hire).**
- **Total contracted operating revenues were $4.2 billion as of December 31, 2013, through 2028.**
- **Charter coverage of 86% for the next 12 months in terms of contracted operating days and 93% in terms of operating revenues.**

Three and Twelve Months Ended December 31, 2013 and 2012
Financial Summary
(Expressed in thousands of United States dollars, except per share amounts)

	Three months ended December 31, 2013	Three months ended December 31, 2012	Twelve months ended December 31, 2013	Twelve months ended December 31, 2012
			(unaudited)	
Operating revenues	$147,001	$151,826	$588,117	$589,009
Net (loss)/income	$(4,236)	$(116,478)	$37,523	$(105,204)
Adjusted net income[1]	$14,966	$11,699	$54,049	$60,453
(Losses)/Earnings per share	$(0.04)	($1.06)	$0.34	$(0.96)
Adjusted earnings per share[1]	$0.14	$0.11	$0.49	$0.55
Weighted average number of shares (in thousands)	109,657	109,622	109,654	109,613
Adjusted EBITDA[1]	$108,807	$112,368	$434,266	$431,690

Danaos' CEO Dr. John Coustas commented:

Danaos is reporting a solid fourth quarter with adjusted net income of $15 million, or 14 cents per share, which is $3.3 million higher than the $11.7 million adjusted net income for the fourth quarter of 2012. This improvement is mainly a result of reduced financing costs due to the rapid deleveraging of the Company's balance sheet. During 2013 we utilized 90% of our free cash flow generation to reduce indebtedness by $171 million, while we will reduce debt further by at least a further $200 million in 2014.

[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.

Executing on our fleet renewal program, during the 4th quarter we sold four vessels, the *Hope*, the *Kalamata*, the *Lotus* and the *Komodo*, while we acquired two 2001 built geared containerships, the 2,524 TEU *Danae C*, and the 3,430 TEU *Dimitris C*.

In January 2014, our charterer Zim reached an in principle agreement with its creditors, including Danaos Corporation, to restructure its balance sheet, which is currently in the process of documentation. This agreement, which includes an equity capital injection of $200 million by Zim's parent, Israel Corporation, resolves Zim's long standing capital structure problems. As a result of this, restructuring we recorded in this quarter an impairment loss of $19.0 million on the receivable we had accumulated on our balance sheet related to credit previously provided to Zim.

The containership market remains challenging but there are indications of recovery. Mainlane trade volumes in 2013 expanded by 2.8% on average compared to 1% in 2012, while the Asia - Europe trade grew by almost 3.5%, an improvement when considering the 4.9% contraction of 2012. On the supply side, the containership fleet grew by almost 7% in 2013 outpacing demand growth that came in at around 4.8%. This imbalance is anticipated to subside during 2014 with demand growth forecasts at around 6% and supply growth estimated at around 5%. Increased scrapping activity is an additional factor anticipated to mitigate the supply demand imbalance going forward.

Amidst a soft charter market, we maintain our strong 93% contract coverage, limiting further downside from a prolonged weak spot charter market.

We continue to be one of the most cost competitive operators in the industry with our daily vessel operating expenses averaging at $5,987 per day for the full year of 2013.

With a resilient business model both from an operating and financial standpoint, we will continue to manage our fleet efficiently, while in 2014 we will focus on further de-leveraging the company and creating value for our shareholders.

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

During the three months ended December 31, 2013, Danaos had an average of 59.0 containerships compared to 64.0 containerships for the three months ended December 31, 2012. Our fleet utilization increased to 95.2% in the three months ended December 31, 2013 compared to 90.4% in the three months ended December 31, 2012, while the effective utilization for the fleet under employment, excluding two vessels on lay up, was 98.6%. During the three months ended December 31, 2013, we sold four vessels, the *Hope*, the *Kalamata*, the *Lotus* and the *Komodo* (on October 3, 2013, October 22, 2013, October 25, 2013 and November 12, 2013, respectively). Furthermore, on November 13, 2013, we acquired a 2,524 TEU containership, the *Danae C*, built in 2001 and on November 21, 2013, we acquired a 3,430 TEU containership, the *Dimitris C*, built in 2001.

Our adjusted net income was $15.0 million, or $0.14 per share, for the three months ended December 31, 2013 compared to $11.7 million, or $0.11 per share, for the three months ended December 31, 2012. We have adjusted our net income in the three months ended December 31, 2013 for an impairment loss of $19.0 million in relation to an agreement in principle we have reached with ZIM, for a restructuring of its obligations with us, as well as unrealized gains on derivatives of $5.2 million, 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 loss on sale of vessels of $0.6 million. Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

The increase of 28.2%, or $3.3 million, in adjusted net income for the three months ended December 31, 2013 compared to the three months ended December 31, 2012, was mainly the result of reduced financing costs driven by our rapid deleveraging mode. As of December 31, 2013, we had 2 vessels on cold lay-up.

On a non-adjusted basis our net loss was $4.2 million, or $0.04 per share, for the three months ended December 31, 2013, compared to net loss of $116.5 million, or $1.06 per share, for the three months ended December 31, 2012, which is mainly attributable to the impairment losses we incurred in the three months ended December 31, 2013 and 2012, respectively.

On March 27, 2013, we entered into an agreement with the lenders under the HSH Nordbank AG-Aegean Baltic Bank-Piraeus Bank credit facility. The agreement provided 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 containership vessels no later than December 31, 2013. Any funds remaining in this restricted cash account after that date will be applied towards prepayment of the respective credit facility. As of December 31, 2013, we concluded the sales of all vessels under the agreement. Furthermore, we acquired a 2,452 TEU containership, the *Amalia C*, built in 1998, a 2,602 TEU containership, the *Niledutch Zebra*, built in 2001, a 2,524 TEU containership, the *Danae C*, built in 2001 and a 3,430 TEU containership, the *Dimitris C*, built in 2001. As of December 31, 2013, an amount of $11.4 million was recorded as current restricted cash, which will be applied towards prepayment of the respective credit facility within 2014.

Operating Revenues
Operating revenues decreased 3.2%, or $4.8 million, to $147.0 million in the three months ended December 31, 2013, from $151.8 million in the three months ended December 31, 2012.

Operating revenues for the three months ended December 31, 2013 reflect:

- $1.9 million of additional revenues in the three months ended December 31, 2013 compared to the three months ended December 31, 2012, related to the *Amalia C*, the *Niledutch Zebra*, the *Danae C* and the *Dimitris C*, which were added to our fleet on May 14, 2013, June 25, 2013, November 13, 2013 and November 21, 2013, respectively.
- $3.6 million decrease in revenues in the three months ended December 31, 2013 compared to the three months ended December 31, 2012, related to the *Honour*, the *Elbe*, the *Hope*, the *Lotus*, the *Kalamata* and the *Komodo,* which were generating revenues in the three months ended December 31, 2012 and were sold in 2013.
- $3.1 million decrease in revenues in the three months ended December 31, 2013 compared to the three months ended December 31, 2012. This was mainly attributable to the softening of the charter market between the two periods.

Vessel Operating Expenses
Vessel operating expenses were $30.5 million in each of the three months ended December 31, 2013 and 2012, respectively, reflecting higher average daily operating cost per vessel offset by lower average number of vessels in our fleet in the 2013 period.

The average daily operating cost per vessel increased to $6,019 per day for the three months ended December 31, 2013, from $5,857 per day for the three months ended December 31, 2012.

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

Depreciation
Depreciation expense decreased 10.1%, or $3.9 million, to $34.6 million in the three months ended December 31, 2013, from $38.5 million in the three months ended December 31, 2012. The decrease in depreciation expense was due to the decreased average number of vessels in our fleet during the three months ended December 31, 2013 compared to the three months ended December 31, 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 decreased by $0.9 million, to $1.0 million in the three months ended December 31, 2013, from $1.9 million in the three months ended December 31, 2012. The decrease reflects decreased dry-docking and special survey costs incurred within the year and amortized during the three months ended December 31, 2013 compared to the three months ended December 31, 2012.

General and Administrative Expenses
General and administrative expenses decreased 5.8%, or $0.3 million, to $4.9 million in the three months ended December 31, 2013, from $5.2 million in the three months ended December 31, 2012. The decrease was mainly the result of reduced fees paid to our Manager in the three months ended December 31, 2013 compared to the three months ended December 31, 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 $0.7 million, to $2.8 million in the three months ended December 31, 2013, from $3.5 million in the three months ended December 31, 2012. The decrease was mainly the result of the decrease in the average number of vessels in our fleet in the three months ended December 31, 2013 compared to the three months ended December 31, 2012.

Impairment loss
Israel Corporation Ltd., the parent company of ZIM Integrated Shipping Services Ltd. ("ZIM"), has announced that ZIM has reached an agreement in principle with its creditors, including us, for a restructuring of its obligations. This agreement includes a significant reduction in the charter rates payable by ZIM for the remaining life of its time charters, expiring in 2020 or 2021, for six of our vessels and our receipt of unsecured, interest bearing ZIM notes maturing in nine years and ZIM shares in exchange for such reductions and cancellation of ZIM's other obligations to us. Based on these anticipated terms, we have written down the value of our long-term receivables from ZIM as of December 31, 2013 and recognized a $19.0 million impairment charge with respect thereto. This agreement in principle remains subject to various approvals, including from each of the relevant creditor parties and ZIM's audit committee, board of directors and shareholders, as well as negotiation and execution of definitive documentation. As of December 31, 2012, we recorded vessels impairment losses of $129.6 million for thirteen of our older vessels, which were either laid up, or on short-term charters.

(Loss)/gain on sale of vessels
(Loss)/gain on sale of vessels, was a loss of $0.6 million in the three months ended December 31, 2013 compared to nil in the three months ended December 31, 2012. During the three months ended December 31, 2013, we sold the *Hope*, the *Kalamata*, the *Lotus* and the *Komodo* (on October 3, 2013, October 22, 2013, October 25, 2013 and November 12, 2013, respectively) and we realized a net loss on these sales of $0.6 million in aggregate. No vessels were sold during the 2012 period.

Interest Expense and Interest Income
Interest expense decreased by 5.2%, or $1.2 million, to $22.1 million in the three months ended December 31, 2013, from $23.3 million in the three months ended December 31, 2012. The change in interest expense was mainly due to the decrease in our average debt by $152.0 million, to $3,250.8 million in the three months ended December 31, 2013, from $3,402.8 million in the three months ended December 31, 2012, as well as the marginal decrease in the cost of debt servicing in the three months ended December 31, 2013 compared to the three months ended December 31, 2012, mainly driven by the lower average LIBOR.

It has to be noted that we are in a rapid deleveraging mode. As of December 31, 2013, the debt outstanding was $3,224.2 million compared to $3,395.2 million as of December 31, 2012.

Interest income was $0.6 million in the three months ended December 31, 2013 compared to $0.5 million in the three months ended December 31, 2012.

Other finance costs, net
Other finance costs, net, decreased by $0.1 million, to $5.0 million in the three months ended December 31, 2013, from $5.1 million in the three months ended December 31, 2012.

Unrealized gain/(loss) on derivatives
Unrealized gain/(loss) on interest rate swap hedges was a gain of $5.2 million in the three months ended December 31, 2013 compared to a gain of $7.6 million in the three months ended December 31, 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).

Realized (loss)/gain on derivatives
Realized loss on interest rate swap hedges, decreased by $2.0 million, to $36.7 million in the three months ended December 31, 2013, from $38.7 million in the three months ended December 31, 2012. This decrease is mainly attributable to the lower average notional amount of swaps during the three months ended December 31, 2013 compared to the three months ended December 31, 2012.

Adjusted EBITDA
Adjusted EBITDA decreased 3.2%, or $3.6 million, to $108.8 million in the three months ended December 31, 2013, from $112.4 million in the three months ended December 31, 2012. Adjusted EBITDA for the three months ended December 31, 2013, is adjusted for an impairment loss of $19.0 million in relation to an agreement in principle we have reached with ZIM, for a restructuring of its obligations with us, as well as unrealized gain on derivatives of $5.2 million, realized losses on derivatives of $35.7 million and a loss on sale of vessels of $0.6 million. Tables reconciling Adjusted EBITDA to Net Income can be found at the end of this earnings release.

Twelve months ended December 31, 2013 compared to the twelve months ended December 31, 2012

During the twelve months ended December 31, 2013, Danaos had an average of 61.0 containerships compared to 62.6 containerships for the twelve months ended December 31, 2012. Our fleet utilization increased to 93.4% in the twelve months ended December 31, 2013 compared to 93.0% in the twelve months ended December 31, 2012, while the effective utilization for the fleet under employment, excluding vessels on lay up, was 98.4%. During the twelve months ended December 31, 2013, we sold 9 of our older vessels, the *Henry,* the *Pride,* the *Independence*, the *Honour*, the *Elbe*, the *Hope*, the *Lotus*, the *Kalamata* and the *Komodo* and we acquired four secondhand geared containerships, a 2,452 TEU containership, the *Amalia C*, built in 1998, a 2,602 TEU containership, the *Niledutch Zebra*, built in 2001, a 2,524 TEU containership, the *Danae C*, built in 2001 and a 3,430 TEU containership, the *Dimitris C*, built in 2001.

Our adjusted net income was $54.0 million, or $0.49 per share, for the twelve months ended December 31, 2013 compared to $60.5 million, or $0.55 per share, for the twelve months ended December 31, 2012. We have adjusted our net income in the twelve months ended December 31, 2013 for an impairment loss of $19.0 million in relation to an agreement in principle we have reached with ZIM, for a restructuring of its obligations with us, as well as unrealized gains on derivatives of $22.1 million, a non-cash expense of $19.2 million for fees related to our comprehensive financing plan (comprised of non-cash, amortizing and accrued finance fees) and a loss on sale of vessels of $0.4 million. Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

The decrease of 10.7%, or $6.5 million, in adjusted net income for the twelve months ended December 31, 2013 compared to the twelve months ended December 31, 2012, was mainly the result of the softening of the charter market during the last year that led to the cold lay-up of certain vessels, the re-chartering of certain vessels at lower rates, as well as the sale of 9 vessels during the twelve months ended December 31, 2013. The above was partially offset by the new vessel additions to our fleet over the course of the last year that were accretive to our operating income.

On a non-adjusted basis our net income was $37.5 million, or $0.34 per share, for the twelve months ended December 31, 2013, compared to net loss of $105.2 million, or $0.96 per share, for the twelve months ended December 31, 2012.

Operating Revenues
Operating revenues decreased 0.2%, or $0.9 million, to $588.1 million in the twelve months ended December 31, 2013, from $589.0 million in the twelve months ended December 31, 2012.

Operating revenues for the twelve months ended December 31, 2013 reflect:

- $37.2 million of incremental revenues in the twelve months ended December 31, 2013 compared to the twelve months ended December 31, 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).

- $3.0 million additional revenues in the twelve months ended December 31, 2013 compared to the twelve months ended December 31, 2012, related to the *Amalia C*, the *Niledutch Zebra*, the *Danae C* and the *Dimitris C*, which were added to our fleet on May 14, 2013, June 25, 2013, November 13, 2013 and November 21, 2013, respectively.
- $20.7 million decrease in revenues in the twelve months ended December 31, 2013 compared to the twelve months ended December 31, 2012, related to the *Montreal*, which was sold on April 27, 2012, as well as the *Henry*, the *Pride*, the *Honour*, the *Elbe*, the *Hope*, the *Lotus*, the *Kalamata* and the *Komodo*, which were generating revenues in the twelve months ended December 31, 2012 and were sold during the twelve months ended December 31, 2013.
- $5.8 million decrease in revenues in the twelve months ended December 31, 2013 compared to the twelve months ended December 31, 2012, related to the *Duka*, which was laid up in the twelve months ended December 31, 2013 and was generating revenues in the the twelve months ended December 31, 2012.
- $14.6 million decrease in revenues in the twelve months ended December 31, 2013 compared to the twelve months ended December 31, 2012, which was mainly attributable to the softening of the charter market between the two periods.

Vessel Operating Expenses
Vessel operating expenses decreased 1.1%, or $1.3 million, to $122.1 million in the twelve months ended December 31, 2013, from $123.4 million in the twelve months ended December 31, 2012. The reduction is mainly attributable to the decrease in the average number of vessels in our fleet during the twelve months ended December 31, 2013 compared to the twelve months ended December 31, 2012.

The average daily operating cost per vessel increased to $5,987 per day for the twelve months ended December 31, 2013, from $5,907 per day for the twelve months ended December 31, 2012.

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

Depreciation
Depreciation expense decreased 4.5%, or $6.5 million, to $137.4 million in the twelve months ended December 31, 2013, from $143.9 million in the twelve months ended December 31, 2012. The decrease in depreciation expense was due to the decreased average number of vessels in our fleet during the twelve months ended December 31, 2013 compared to the twelve months ended December 31, 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 decreased 9.8%, or $0.6 million, to $5.5 million in the twelve months ended December 31, 2013, from $6.1 million in the twelve months ended December 31, 2012. The decrease reflects decreased dry-docking and special survey costs incurred within the year and amortized during the twelve months ended December 31, 2013 compared to the twelve months ended December 31, 2012.

General and Administrative Expenses
General and administrative expenses decreased 4.4%, or $0.9 million, to $19.5 million in the twelve months ended December 31, 2013, from $20.4 million in the twelve months ended December 31, 2012. The decrease was mainly the result of the decrease in the fees paid to our Manager in the twelve months ended December 31, 2013 compared to the twelve months ended December 31, 2012, due to the decrease in the average number of vessels in our fleet.

(Loss)/gain on sale of vessels
(Loss)/gain on sale of vessels, was a loss of $0.4 million in the twelve months ended December 31, 2013 compared to a gain of $0.8 million in the twelve months ended December 31, 2012. During the twelve

months ended December 31, 2013, we sold the *Independence,* the *Henry,* the *Pride,* the *Honour*, the *Elbe*, the *Hope*, the *Kalamata*, the *Lotus* and the *Komodo* (on February 13, 2013, February 28, 2013, March 25, 2013, May 14, 2013, June 13, 2013, October 3, 2013, October 22, 2013, October 25, 2013 and November 12, 2013, respectively) and we realized a net loss on these sales of $0.4 million in aggregate. During the twelve months ended December 31, 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 $1.7 million, to $11.8 million in the twelve months ended December 31, 2013, from $13.5 million in the twelve months ended December 31, 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 4.5%, or $3.9 million, to $91.2 million in the twelve months ended December 31, 2013, from $87.3 million in the twelve months ended December 31, 2012. The change in interest expense was mainly due to the increase in our average debt by $13.6 million, to $3,321.9 million in the twelve months ended December 31, 2013, from $3,308.3 million in the twelve months ended December 31, 2012, which was partially offset by the decrease in the cost of servicing our credit facilities in the twelve months ended December 31, 2013 compared to the twelve months ended December 31, 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 twelve months ended December 31, 2012 compared to nil interest being capitalized for the twelve months ended December 31, 2013, following the completion of our newbuilding program in June 2012.

Interest income was $2.2 million in the twelve months ended December 31, 2013 compared to $1.6 million in the twelve months ended December 31, 2012.

Other finance costs, net
Other finance costs, net, increased by $2.0 million, to $20.1 million in the twelve months ended December 31, 2013, from $18.1 million in the twelve months ended December 31, 2012. This increase was mainly due to the $1.1 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 twelve months ended December 31, 2013 compared to the twelve months ended December 31, 2012.

Unrealized gain/(loss) on derivatives
Unrealized gain/(loss) on interest rate swap hedges was a gain of $22.1 million in the twelve months ended December 31, 2013 compared to a loss of $0.7 million in the twelve months ended December 31, 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).

Realized (loss)/gain on derivatives
Realized loss on interest rate swap hedges, decreased by $6.1 million, to $148.3 million in the twelve months ended December 31, 2013, from $154.4 million in the twelve months ended December 31, 2012. This decrease is mainly attributable to the lower average notional amount of swaps during the twelve months ended December 31, 2013 compared to the twelve months ended December 31, 2012, which was partially offset by $7.0 million of realized losses that had been deferred during the twelve months ended December 31, 2012 (as discussed below) and were not deferred in the twelve months ended December 31, 2013.

With all our newbuildings having been delivered no realized losses on cash flow hedges were deferred during the twelve months ended December 31, 2013. During the twelve months ended December 31, 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 0.6%, or $2.6 million, to $434.3 million in the twelve months ended December 31, 2013, from $431.7 million in the twelve months ended December 31, 2012. Adjusted EBITDA for the twelve months ended December 31, 2013, is adjusted for an impairment loss of $19.0 million in relation to an agreement in principle we have reached with ZIM, for a restructuring of its obligations with us, as well as unrealized gain on derivatives of $22.1 million, realized losses on derivatives of $144.3 million and a loss on sale of vessels of $0.4 million. Tables reconciling Adjusted EBITDA to Net Income can be found at the end of this earnings release.

Conference Call and Webcast
On Tuesday, February 11, 2014, at 9:00 A.M. EST, the Company's management will host a conference call to discuss the results.

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

A telephonic replay of the conference call will be available until February 18, 2014, 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 59 containerships aggregating 345,179 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 safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements reflect our current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although Danaos Corporation believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, Danaos Corporation cannot assure you that it will achieve or accomplish these expectations, beliefs or projections. Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including changes in charter hire rates and vessel values, charter counterparty performance, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled drydocking, changes in Danaos Corporation’s operating expenses, including bunker prices, dry-docking and insurance costs, ability to obtain financing and comply with covenants in our financing arrangements, actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists.

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

Visit our website at www.danaos.com

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Appendix

Fleet Utilization

Danaos had 260 unscheduled off-hire days in the three months ended December 31, 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	Fourth Quarter 2013	Total
Ownership Days	5,677	5,541	5,612	5,427	**22,257**
Less Off-hire Days:					
Scheduled Off-hire Days	—	(39)	—	—	**(39)**
Other Off-hire Days	(593)	(287)	(294)	(260)	**(1,434)**
Operating Days	**5,084**	**5,215**	**5,318**	**5,167**	**20,784**
Vessel Utilization	**89.6%**	**94.1%**	**94.8%**	**95.2%**	**93.4%**
Operating Revenues (in '000s of US Dollars)	**$146,088**	**$146,580**	**$148,448**	**$147,001**	**$588,117**
Average Gross Daily Charter Rate	**$28,735**	**$28,107**	**$27,914**	**$28,450**	**$28,297**

Vessel Utilization (No. of Days)	First Quarter 2012	Second Quarter 2012	Third Quarter 2012	Fourth Quarter 2012	Total
Ownership Days	5,471	5,663	5,888	5,888	**22,910**
Less Off-hire Days:					
Scheduled Off-hire Days	(49)	(45)	(58)	(57)	**(209)**
Other Off-hire Days	(254)	(266)	(376)	(508)	**(1,404)**
Operating Days	**5,168**	**5,352**	**5,454**	**5,323**	**21,297**
Vessel Utilization	**94.5%**	**94.5%**	**92.6%**	**90.4%**	**93.0%**
Operating Revenues (in '000s of US Dollars)	**$134,237**	**$146,657**	**$156,289**	**$151,826**	**$589,009**
Average Gross Daily Charter Rate	**$25,975**	**$27,402**	**$28,656**	**$28,523**	**$27,657**

Fleet List

The following table describes in detail our fleet deployment profile as of February 10, 2014.

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	March 2014
Commodore [3]	4,651	1992	March 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	March 2014
Deva	4,253	2004	November 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
Dimitris C	3,430	2001	November 2014
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
Niledutch Zebra	2,602	2001	June 2014
Amalia C	2,452	1998	June 2014
Danae C	2,524	2001	March 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 December 31, 2013	Three months ended December 31, 2012	Twelve months ended December 31, 2013	Twelve months ended December 31, 2012
OPERATING REVENUES	**$147,001**	**$151,826**	**$588,117**	**$589,009**
OPERATING EXPENSES				
Vessel operating expenses	(30,452)	(30,525)	(122,074)	(123,356)
Depreciation & amortization	(35,591)	(40,396)	(142,896)	(150,008)
Impairment loss	(19,004)	(129,630)	(19,004)	(129,630)
General & administrative	(4,861)	(5,202)	(19,458)	(20,379)
(Loss)/gain on sale of vessels	(605)	—	(449)	830
Other operating expenses	(2,783)	(3,543)	(11,770)	(13,503)
Income From Operations	**53,705**	**(57,470)**	**272,466**	**152,963**
OTHER EARNINGS/(EXPENSES)				
Interest income	638	462	2,210	1,642
Interest expense	(22,123)	(23,288)	(91,185)	(87,340)
Other finance cost, net	(4,970)	(5,114)	(20,120)	(18,107)
Other income/(expenses), net	44	48	302	811
Realized (loss)/gain on derivatives	(36,690)	(38,709)	(148,271)	(154,434)
Unrealized gain/(loss) on derivatives	5,160	7,593	22,121	(739)
Total Other Income/(Expenses), net	**(57,941)**	**(59,008)**	**(234,943)**	**(258,167)**
Net (Loss)/Income	**$(4,236)**	**$(116,478)**	**$37,523**	**$(105,204)**
EARNINGS PER SHARE				
Basic & diluted net (loss)/income per share	$(0.04)	$(1.06)	$0.34	$(0.96)
Basic & diluted weighted average number of common shares (in thousands of shares)	109,657	109,622	109,654	109,613

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

	Three months ended December 31, 2013	Three months ended December 31, 2012	Twelve months ended December 31, 2013	Twelve months ended December 31, 2012
Net (loss)/income	$(4,236)	$(116,478)	$37,523	$(105,204)
Unrealized (gain)/loss on derivatives	(5,160)	(7,593)	(22,121)	739
Realized loss on over-hedging portion of derivatives	—	1,362	—	19,042
Amortization of financing fees & finance fees accrued	4,753	4,778	19,194	17,076
Impairment loss	19,004	129,630	19,004	129,630
Loss/(Gain) on sale of vessels	605	—	449	(830)
Adjusted Net Income	**$14,966**	**$11,699**	**$54,049**	**$60,453**
Adjusted Earnings Per Share	**$0.14**	**$0.11**	**$0.49**	**$0.55**
Weighted average number of shares	109,657	109,622	109,654	109,613

* 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 twelve months ended December 31, 2013 and 2012. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP.

DANAOS CORPORATION
Condensed Balance Sheets - Unaudited
(Expressed in thousands of United States dollars)

	As of December 31, 2013	As of December 31, 2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$68,153	$55,628
Restricted cash	14,717	2,821
Accounts receivable, net	8,038	3,741
Other current assets	35,958	36,483
	126,866	98,673
NON-CURRENT ASSETS		
Fixed assets, net	3,842,617	3,986,138
Restricted cash, net of current portion	—	430
Deferred charges, net	67,949	88,821
Fair value of financial instruments	2,472	2,908
Other non-current assets	26,648	35,075
	3,939,686	4,113,372
TOTAL ASSETS	**$4,066,552**	**$4,212,045**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Long-term debt, current portion	$146,462	$125,076
Vendor Financing, current portion	57,388	57,388
Accounts payable, accrued liabilities & other current liabilities	56,607	52,688
Fair value of financial instruments, current portion	109,431	130,100
	369,888	365,252
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	2,965,641	3,097,472
Vendor financing, net of current portion	64,367	121,754
Fair value of financial instruments, net of current portion	59,077	176,948
Other long-term liabilities	9,103	10,315
	3,098,188	3,406,489
STOCKHOLDERS' EQUITY		
Common stock	1,097	1,096
Additional paid-in capital	546,097	546,023
Accumulated other comprehensive loss	(232,697)	(353,271)
Retained earnings	283,979	246,456
	598,476	440,304
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$4,066,552**	**$4,212,045**

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

	Three months ended December 31, 2013	Three months ended December 31, 2012	Twelve months ended December 31, 2013	Twelve months ended December 31, 2012
Operating Activities:				
Net (loss)/income	$(4,236)	$(116,478)	$37,523	$(105,204)
Adjustments to reconcile net (loss)/income to net cash provided by operating activities:				
Depreciation	34,615	38,514	137,414	143,938
Impairment loss	19,004	129,630	19,004	129,630
Amortization of deferred drydocking & special survey costs, finance cost and other finance fees accrued	5,729	6,660	24,676	23,146
Stock based compensation	75	100	75	139
Payments for drydocking/special survey	(14)	(2,968)	(283)	(9,308)
Amortization of deferred realized losses on cash flow interest rate swaps	1,013	1,013	4,017	3,524
Realized loss on cash flow interest rate swaps deferred in Other Comprehensive Loss	—	—	—	(7,035)
Unrealized (gain)/loss on derivatives	(5,160)	(7,593)	(22,121)	739
Loss/(gain) on sale of vessels	605	—	449	(830)
Accounts receivable	(3,601)	6,020	(4,297)	435
Other assets, current and non-current	(4,708)	(11,641)	(10,052)	(11,813)
Accounts payable and accrued liabilities	(2,568)	(4,665)	(2,841)	(2,380)
Other liabilities, current and non-current	1,094	(1,069)	5,461	1,577
Net Cash provided by Operating Activities	**41,848**	**37,523**	**189,025**	**166,558**
Investing Activities:				
Vessel additions, vessel acquisitions and vessels under construction	(28,094)	(46)	(46,839)	(375,424)
Net proceeds from sale of vessels	18,778	—	52,926	5,635
Net Cash (used in)/provided by Investing Activities	**(9,316)**	**(46)**	**6,087**	**(369,789)**
Financing Activities:				
Debt draw downs	—	—	—	266,920
Debt repayment	(50,483)	(16,611)	(171,021)	(58,981)
Deferred costs	—	—	(100)	(100)
Decrease/(Increase) in restricted cash	5,610	(2,813)	(11,466)	(342)
Net Cash (used in)/ provided by Financing Activities	**(44,873)**	**(19,424)**	**(182,587)**	**207,497**
Net (Decrease)/increase in cash and cash equivalents	(12,341)	18,053	12,525	4,266
Cash and cash equivalents, beginning of period	80,494	37,575	55,628	51,362
Cash and cash equivalents, end of period	**$68,153**	**$55,628**	**$68,153**	**$55,628**

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

	Three months ended December 31, 2013	Three months ended December 31, 2012	Twelve months ended December 31, 2013	Twelve months ended December 31, 2012
Net (loss)/income	$(4,236)	$(116,478)	$37,523	$(105,204)
Depreciation	34,615	38,514	137,414	143,938
Amortization of deferred drydocking & special survey costs	976	1,882	5,482	6,070
Amortization of deferred finance costs and other finance fees accrued	4,753	4,778	19,194	17,076
Amortization of deferred realized losses on interest rate swaps	1,013	1,013	4,017	3,524
Interest income	(638)	(462)	(2,210)	(1,642)
Interest expense	22,123	23,288	91,185	87,340
Impairment loss	19,004	129,630	19,004	129,630
Loss/(gain) on sale of vessels	605	—	449	(830)
Stock based compensation	75	100	75	139
Realized loss on derivatives	35,677	37,696	144,254	150,910
Unrealized (gain)/loss on derivatives	(5,160)	(7,593)	(22,121)	739
Adjusted EBITDA[(1)]	**$108,807**	**$112,368**	**$434,266**	**$431,690**

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, impairment loss 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 twelve months ended December 31, 2013 and 2012. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP.