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DANAOS CORPORATION

Danaos Corporation Reports Fourth Quarter and Full Year Results for the Period Ended December 31, 2014.

Athens, Greece, February 9, 2015 – Danaos Corporation ("Danaos") (NYSE: DAC), a leading international owner of containerships, today reported unaudited results for the quarter and full year ended December 31, 2014.

Highlights for the Fourth Quarter and Full Year Ended December 31, 2014:

- **Operating revenues of $140.7 million for the three months ended December 31, 2014 compared to $147.0 million for the three months ended December 31, 2013, a decrease of 4.3%. Operating revenues of $552.1 million for the year ended December 31, 2014 compared to $588.1 million for the year ended December 31, 2013, a decrease of 6.1%.**
- **Adjusted EBITDA[1] of $104.5 million for the three months ended December 31, 2014 compared to $108.8 million for the three months ended December 31, 2013, a decrease of 4.0%. Adjusted EBITDA[1] of $404.0 million for the year ended December 31, 2014 compared to $434.3 million for the year ended December 31, 2013, a decrease of 7.0%.**
- **Adjusted net income[1] of $23.5 million, or $0.21 per share, for the three months ended December 31, 2014 compared to $15.0 million, or $0.14 per share, for the three months ended December 31, 2013, an increase of 56.7%. Adjusted net income[1] of $60.0 million, or $0.55 per share, for the year ended December 31, 2014 compared to $54.0 million, or $0.49 per share, for the year ended December 31, 2013, an increase of 11.1%.**
- **We recorded an impairment loss of $75.8 million for eight of our older vessels.**
- **The remaining average charter duration of our fleet was 8.0 years as of December 31, 2014 (weighted by aggregate contracted charter hire).**
- **Total contracted operating revenues were $3.7 billion as of December 31, 2014, through 2028.**
- **Charter coverage of 91% for the next 12 months in terms of contracted operating days and 97% in terms of operating revenues.**

Three and Twelve Months Ended December 31, 2014 and 2013
Financial Summary
(Expressed in thousands of United States dollars, except per share amounts)

	Three months ended December 31, 2014	Three months ended December 31, 2013	Twelve months ended December 31, 2014	Twelve months ended December 31, 2013
		(unaudited)		
Operating revenues	$140,669	$147,001	$552,091	$588,117
Net (loss)/income	$(51,376)	$(4,236)	$(3,920)	$37,523
Adjusted net income[1]	$23,455	$14,966	$60,047	$54,049
(Losses)/Earnings per share	$(0.47)	$(0.04)	$(0.04)	$0.34
Adjusted earnings per share[1]	$0.21	$0.14	$0.55	$0.49
Weighted average number of shares (in thousands)	109,696	109,657	109,676	109,654
Adjusted EBITDA[1]	$104,527	$108,807	$404,038	$434,266

<u>Danaos' CEO Dr. John Coustas commented:</u>

Danaos is reporting another solid quarter with adjusted net income of $23.5 million, or 21 cents per share, which is higher by $8.5 million or 56.7% when compared to the $15.0 million, or 14 cents per share of adjusted net income for the 4th quarter of 2013.

[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.

The Company's profitability improved between the 2 quarters through a $13.5 million improvement in net financing costs together with a $1.3 million improvement in operating costs, despite a decrease in operating revenues. The decline in operating revenues between the 2 quarters mainly reflects $2.4 million related to softer charter market conditions and $3.9 million attributable to the reduced charter hire on six of our vessels following the previously announced restructuring of Zim.

The trend of improving financing costs and, as a consequence, earnings, will continue through 2015 as we continue to reduce leverage and benefit from the expiration of expensive interest rate swaps.

As of December 31, 2014 we recorded an impairment charge of $75.8 million in relation to eight 2,200 TEU vessels built in 1997 and 1998, being prudent on the evaluation of our assets and our balance sheet metrics. This charge has been adjusted accordingly in our adjusted net income calculations as analyzed within our earnings release.

As previously announced, during the 4th quarter we continued the execution of our fleet renewal program with the acquisition of two 6,402 TEU containerships built in 2002.

On the container market front we see positive signs of a more balanced demand / supply relationship. The recent charter rate improvement on Panamax vessels which have suffered the most during the prolonged weak market, is definitely a sign that the market is balancing. Lower oil prices have also had a positive effect which has been evidenced by the return to profits for all the major liner companies. This positive development is particularly important for us since counterparty risk improves as our clients return to profitability.

We continue to maintain our strong 97% charter coverage in terms of operating revenues which insulates us from market volatility and the timing of the recovery. Additionally, our $5,669 daily operating cost for the 4th quarter clearly positions us as one of the most efficient operators in the industry.

We will continue our efforts to de-lever our balance sheet, manage our fleet efficiently and capitalize on the resilience of our business model towards creating value for our shareholders.

Three months ended December 31, 2014 compared to the three months ended December 31, 2013

During the three months ended December 31, 2014, Danaos had an average of 55.2 containerships compared to 59.0 containerships for the three months ended December 31, 2013. Our fleet utilization increased to 98.3% in the three months ended December 31, 2014 compared to 95.2% in the three months ended December 31, 2013, mainly due to the acquisition of two new vessels during the three months ended December 31, 2014 and the sale of nine of our older vessels certain of which were off-charter and laid-up during the three months ended December 31, 2013.

Our adjusted net income was $23.5 million, or $0.21 per share, for the three months ended December 31, 2014 compared to $15.0 million, or $0.14 per share, for the three months ended December 31, 2013. We have adjusted our net income in the three months ended December 31, 2014 for an impairment loss of $75.8 million in relation to eight of our older vessels, as well as unrealized gains on derivatives of $5.6 million and a non-cash expense of $4.6 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 increase of 56.7%, or $8.5 million, in adjusted net income for the three months ended December 31, 2014 compared to the three months ended December 31, 2013 was attributed to a reduction of $1.3 million in total fleet operating costs and a $13.5 million reduction in net finance costs (mainly due to lower debt balances and interest rate swap expirations), which was partially offset by a $3.9 million reduction in operating revenues as a result of reduced rates for six 4,253 TEU vessels on charter to Zim following the Zim restructuring, as well as a $2.4 million net decrease in operating revenues mainly attributed to lower re-chartering rates for certain of our vessels as a result of the continuing soft charter market and vessels sold that were generating revenue in the three months ended December 31, 2013 partially offset by vessels acquired and generating revenue in the three months ended December 31, 2014.

On a non-adjusted basis our net loss was $51.4 million, or $0.47 per share, for the three months ended December 31, 2014, compared to net loss of $4.2 million, or $0.04 per share, for the three months ended December 31, 2013.

As previously announced, following an agreement with the lenders under the HSH Nordbank AG-Aegean Baltic Bank-Piraeus Bank credit facility which was formalized on October 22, 2014, during the three months ended December 31, 2014 we utilized the full $37.0 million of restricted cash that had been earmarked for vessel purchases, with the acquisition of two 6,402 TEU vessels built in 2002, *MOL Performance* and *MOL Priority,* delivered to us during three months ended December 31, 2014.

As of December 31, 2014, we recorded an impairment loss of $75.8 million for eight of our older vessels. The indicators of potential impairment of these vessels included volatility in the spot market and decline in the vessels' market values, as well as the potential impact the current charter marketplace may have on the future operation of the older vessels in our fleet.

Operating Revenues

Operating revenues decreased 4.3%, or $6.3 million, to $140.7 million in the three months ended December 31, 2014, from $147.0 million in the three months ended December 31, 2013.

Operating revenues for the three months ended December 31, 2014 reflect:

- $2.0 million of additional revenues in the three months ended December 31, 2014 compared to the three months ended December 31, 2013, $0.9 million of which related to the *MOL Performance* and *MOL Priority* which were added to our fleet on November 5, 2014 and $1.1 million related to *Niledutch Palanca* and the *Dimitris C* which were added to our fleet on November 13, 2013 and November 21, 2013 respectively.
- $3.9 million decrease in revenues in the three months ended December 31, 2014 compared to the three months ended December 31, 2013, related to the agreement we entered into with ZIM for a reduction in the charter rates payable by ZIM under the time charters for six of our vessels.
- $2.0 million decrease in revenues in the three months ended December 31, 2014 compared to the three months ended December 31, 2013, related to the *Kalamata*, the *Lotus*, the *Komodo*, the *Commodore*, the *Messologi* and the *Mytilini* which were generating revenues in the three months ended December 31, 2013, but were sold within 2013 and 2014.
- $2.4 million decrease in revenues in the three months ended December 31, 2014 compared to the three months ended December 31, 2013, which was mainly attributable to the re-chartering of two of our vessels at lower rates than what they had previously been earning as a result of the soft charter market.

Vessel Operating Expenses

Vessel operating expenses decreased 8.9%, or $2.7 million, to $27.8 million in the three months ended December 31, 2014, from $30.5 million in the three months ended December 31, 2013, reflecting lower average daily operating cost per vessel and lower average number of vessels in our fleet during the three months ended December 31, 2014 compared to the three months ended December 31, 2013.

The average daily operating cost per vessel decreased to $5,669 per day for the three months ended December 31, 2014, from $6,019 per day for the three months ended December 31, 2013, mainly as a result of the sale of the older vessels in our fleet whose contribution in daily operating expenses was higher than the fleet average. Our daily operating cost ranks as one of the most competitive in the industry.

Depreciation & Amortization

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

Depreciation
Depreciation expense was at $34.6 million in the three months ended December 31, 2014 and 2013, respectively.

Amortization of Deferred Dry-docking and Special Survey Costs
Amortization of deferred dry-docking and special survey costs increased by $0.2 million, to $1.2 million in the three months ended December 31, 2014, from $1.0 million in the three months ended December 31, 2013. The increase reflects increased dry-docking and special survey costs incurred within the year and amortized during the three months ended December 31, 2014 compared to the three months ended December 31, 2013.

General and Administrative Expenses
General and administrative expenses increased 12.2%, or $0.6 million, to $5.5 million in the three months ended December 31, 2014, from $4.9 million in the three months ended December 31, 2013. The increase was mainly due to increased fees of $0.4 million paid to our Manager in the three months ended December 31, 2014 compared to the three months ended December 31, 2013, due to an increase in the per day fee payable to our Manager since January 1, 2014, together with an increase in stock compensation of $0.6 million partially offset by a $0.4 million improvement in various administrative expenses between the two quarters.

Effective January 1, 2015, our management fees were adjusted to a fee of $850 per day for commercial, chartering and administrative services, a technical management fee of $425 per vessel per day for vessels on bareboat charter and $850 per vessel per day for vessels on time charter.

Other Operating Expenses
Other Operating Expenses includes Voyage Expenses

Voyage Expenses
Voyage expenses increased by $0.6 million, to $3.4 million in the three months ended December 31, 2014, from $2.8 million in the three months ended December 31, 2013, mainly attributed to the increase of the 1.0% commission on gross freight, charter hire, ballast bonus and demurrage payable to our manager with respect to each vessel in the fleet that was adjusted to a commission of 1.25% effective January 1, 2014. This increase was partially offset by the decreased average number of vessels in our fleet during the three months ended December 31, 2014 compared to the three months ended December 31, 2013.

Gain/(Loss) on sale of vessels
Gain/(Loss) on sale of vessels, was nil in the three months ended December 31, 2014 compared to a $0.6 million net loss in the three months ended December 31, 2013 as a result of the sale of the *Hope*, the *Kalamata*, the *Lotus* and the *Komodo* (on October 3, 2013, October 22, 2013, October 25, 2013 and November 12, 2013, respectively). There were no vessel sales during the three months ended December 31, 2014.

Interest Expense and Interest Income
Interest expense decreased by 14%, or $3.1 million, to $19.0 million in the three months ended December 31, 2014, from $22.1 million in the three months ended December 31, 2013. The change in interest expense was mainly due to the decrease in our average debt by $220.8 million, to $3,030.0 million in the three months ended December 31, 2014, from $3,250.8 million in the three months ended December 31, 2013, as well as the decrease in the cost of debt servicing in the three months ended December 31, 2014 compared to the three months ended December 31, 2013, mainly driven by the accelerated amortization of our fixed rate debt, which bears a higher cost compared to our floating rate debt.

It should be noted that we are in a rapid deleveraging mode. As of December 31, 2014, the total debt outstanding was $3,002.6 million compared to $3,224.2 million as of December 31, 2013.

Interest income was $0.8 million in the three months ended December 31, 2014 compared to $0.6 million in the three months ended December 31, 2013.

Other finance costs, net
Other finance costs, net, decreased by $0.1 million, to $4.9 million in the three months ended December 31, 2014, from $5.0 million in the three months ended December 31, 2013. This decrease was due to the $0.1 million decrease in amortizing finance fees (which were deferred and are amortized over the term of the respective credit facilities) in the three months ended December 31, 2014 compared to the three months ended December 31, 2013.

Unrealized gain/(loss) on derivatives
Unrealized gain/(loss) on interest rate swap hedges was a gain of $5.6 million in the three months ended December 31, 2014 compared to a gain of $5.2 million in the three months ended December 31, 2013. The unrealized gains were attributable to mark to market valuation of our swaps, as well as reclassification of unrealized losses from Accumulated Other Comprehensive Loss to our earnings due to the discontinuation of hedge accounting since July 1, 2012.

Realized (loss)/gain on derivatives
Realized loss on interest rate swap hedges, decreased by $10.2 million, to $26.5 million in the three months ended December 31, 2014, from $36.7 million in the three months ended December 31, 2013. This decrease is attributable to $872.3 million lower average notional amount of swaps during the three months ended December 31, 2014 compared to the three months ended December 31, 2013 as a result of swap expirations.

Adjusted EBITDA
Adjusted EBITDA decreased 4.0%, or $4.3 million, to $104.5 million in the three months ended December 31, 2014, from $108.8 million in the three months ended December 31, 2013. Adjusted EBITDA for the three months ended December 31, 2014, is adjusted for an impairment loss of $75.8 million in relation to impairment loss of eight of our older vessels, as well as unrealized gain on derivatives of $5.6 million, realized losses on derivatives of $25.5 million and stock compensation 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, 2014 compared to the twelve months ended December 31, 2013

During the twelve months ended December 31, 2014, Danaos had an average of 55.9 containerships compared to 61.0 containerships for the twelve months ended December 31, 2013. Our fleet utilization increased to 97.5% in the twelve months ended December 31, 2014 compared to 93.4% in the twelve months ended December 31, 2013 mainly due to the sale of nine of our older vessels certain of which were off-charter and laid-up in the twelve months ended December 31, 2013. During 2014 the effective fleet utilization for the fleet under employment was 98.5% (which excludes the vessels on lay-up). Additionally, during the twelve months ended December 31, 2014 we sold five of our older vessels, the *Marathonas*, the *Commodore*, the *Mytilini*, the *Duka* and the *Messologi*, for an aggregate amount of $55.2 million (representing the gross sale proceeds less commissions) and we acquired two 6,402 TEU secondhand containerships built in 2002, the *MOL Performance* and the *MOL Priority*.

Our adjusted net income was $60.0 million, or $0.55 per share, for the twelve months ended December 31, 2014 compared to $54.0 million, or $0.49 per share, for the twelve months ended December 31, 2013. We have adjusted our net income in the twelve months ended December 31, 2014 for an impairment loss of $75.8 million in relation to our older vessels, as well as unrealized gains on derivatives of $24.9 million, a non-cash expense of $18.8 million for fees related to our comprehensive financing plan (comprised of non-cash, amortizing and accrued finance fees) and a gain on sale of vessels of $5.7 million. Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

The increase of 11.1%, or $6.0 million, in adjusted net income for the twelve months ended December 31, 2014 compared to the twelve months ended December 31, 2013, was attributed to a $6.6 million decrease in total fleet operating costs and a $35.4 million decrease in net finance costs mainly due to lower debt balances and interest rate swap expirations. This decrease in operating and finance costs was also partially offset by a $20.2 million decrease in operating revenues as a result of reduced rates for six 4,253 TEU vessels on charter to Zim following the Zim restructuring, as well as a $15.8 million net decrease in operating revenues mainly attributed to lower re-chartering rates for certain of our vessels as a result of the continuing soft charter market and vessels sold that were generating revenue in the twelve months ended December 31, 2013, partially offset by vessels acquired and generating revenue in the twelve months ended December 31, 2014.

On a non-adjusted basis our net loss was $3.9 million, or $0.04 per share, for the twelve months ended December 31, 2014, compared to net income of $37.5 million, or $0.34 per share, for the twelve months ended December 31, 2013.

As of December 31, 2014, we recorded an impairment loss of $75.8 million for eight of our older vessels. The indicators of potential impairment of these vessels included volatility in the spot market and decline in the vessels' market values, as well as the potential impact the current charter marketplace may have on the future operation of the older vessels in our fleet.

Operating Revenues

Operating revenues decreased 6.1%, or $36.0 million, to $552.1 million in the twelve months ended December 31, 2014, from $588.1 million in the twelve months ended December 31, 2013.

Operating revenues for the twelve months ended December 31, 2014 reflect:

- $9.1 million of additional revenues in the twelve months ended December 31, 2014 compared to the twelve months ended December 31, 2013, $0.9 million of which related to the *MOL Performance* and *MOL Priority* which were added to our fleet on November 5, 2014 and $8.2 million related to *Amalia C*, *MSC Zebra*, *Niledutch Palanca* 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.
- $20.2 million decrease in revenues in the twelve months ended December 31, 2014 compared to the twelve months ended December 31, 2013, related to the agreement we entered into with ZIM for a reduction in the charter rates payable by ZIM under the time charters for six of our vessels.
- $12.6 million decrease in revenues in the twelve months ended December 31, 2014 compared to the twelve months ended December 31, 2013, related to the Hope, the *Kalamata*, the *Elbe*, the *Komodo*, the *Lotus*, the *Commodore*, the *Messologi* and the *Mytilini*, which were generating revenues in the twelve months ended December 31, 2013, but were sold within 2013 and 2014.
- $12.3 million decrease in revenues in the twelve months ended December 31, 2014 compared to the twelve months ended December 31, 2013, which was mainly attributable to the re-chartering of certain vessels at lower rates than what they had previously been earning as a result of the soft charter market.

Vessel Operating Expenses

Vessel operating expenses decreased 6.8%, or $8.3 million, to $113.8 million in the twelve months ended December 31, 2014, from $122.1 million in the twelve months ended December 31, 2013. The reduction is mainly attributable to the decrease in the average number of vessels in our fleet during the twelve months ended December 31, 2014 compared to the twelve months ended December 31, 2013.

The average daily operating cost per vessel increased to $5,838 per day for the twelve months ended December 31, 2014, from $5,987 per day for the twelve months ended December 31, 2013 mainly as a result of the sale of the older vessels in our fleet whose contribution in daily operating expenses was higher than the fleet average. Our daily operating cost ranks as one of the most competitive in the industry.

Depreciation & Amortization

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

Depreciation

Depreciation expense decreased 0.2%, or $0.3 million, to $137.1 million in the twelve months ended December 31, 2014, from $137.4 million in the twelve months ended December 31, 2013. The decrease in depreciation expense was due to the lower average number of vessels in our fleet during the twelve months ended December 31, 2014 compared to the twelve months ended December 31, 2013.

Amortization of Deferred Dry-docking and Special Survey Costs
Amortization of deferred dry-docking and special survey costs decreased 20.0%, or $1.1 million, to $4.4 million in the twelve months ended December 31, 2014, from $5.5 million in the twelve months ended December 31, 2013. The decrease reflects reduced dry-docking costs amortized during the twelve months ended December 31, 2014 compared to the twelve months ended December 31, 2013.

General and Administrative Expenses
General and administrative expenses increased 9.7%, or $1.9 million, to $21.4 million in the twelve months ended December 31, 2014, from $19.5 million in the twelve months ended December 31, 2013. The increase was mainly due to increased fees of $1.3 million paid to our Manager in the twelve months ended December 31, 2014 compared to the twelve months ended December 31, 2013, due to an increase in the per day fee payable to our Manager since January 1, 2014, , together with an increase of $0.6 million of stock compensation.

Gain / (Loss) on sale of vessels
Gain on sale of vessels, was $5.7 million in the twelve months ended December 31, 2014 compared to a loss of $0.4 million in the twelve months ended December 31, 2013. During the twelve months ended December 31, 2014, we sold the *Marathonas*, the *Commodore*, the *Mytilini*, the *Duka* and the *Messologi* (on February 26, 2014, April 25, 2014, May 15, 2014, May 15, 2014 and May 20, 2014, respectively) and we realized a net gain on these sales of $5.7 million in aggregate. 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.

Other Operating Expenses
Other Operating Expenses includes Voyage Expenses

Voyage Expenses
Voyage expenses increased by $1.2 million, to $13.0 million in the twelve months ended December 31, 2014, from $11.8 million in the twelve months ended December 31, 2013, mainly attributed to the increase of the 1.0% commission on gross freight, charter hire, ballast bonus and demurrage payable to our manager with respect to each vessel in the fleet that was adjusted to a commission of 1.25% effective January 1, 2014.

Interest Expense and Interest Income
Interest expense decreased by 12.3%, or $11.2 million, to $80.0 million in the twelve months ended December 31, 2014, from $91.2 million in the twelve months ended December 31, 2013. The change in interest expense was mainly due to the decrease in our average debt by $205.4 million, to $3,116.5 million in the twelve months ended December 31, 2014, from $3,321.9 million in the twelve months ended December 31, 2013, as well as the decrease in the cost of debt servicing in the twelve months ended December 31, 2014 compared to the twelve months ended December 31, 2013, mainly driven by the accelerated amortization of our fixed rate debt, which bears a higher cost compared to our floating rate debt.

Interest income was $1.7 million in the twelve months ended December 31, 2014 compared to $2.2 million in the twelve months ended December 31, 2013.

Other finance costs, net
Other finance costs, net, decreased by $0.3 million, to $19.8 million in the twelve months ended December 31, 2014, from $20.1 million in the twelve months ended December 31, 2013. This decrease was due to the $0.3 million decrease in amortizing finance fees (which were deferred and are amortized over the term of the respective credit facilities) in the twelve months ended December 31, 2014 compared to the twelve months ended December 31, 2013.

Unrealized gain/(loss) on derivatives
Unrealized gain/(loss) on interest rate swap hedges was a gain of $24.9 million in the twelve months ended December 31, 2014 compared to a gain of $22.1 million in the twelve months ended December 31, 2013. The unrealized gains were attributable to mark to market valuation of our swaps, as well as reclassification of unrealized losses from Accumulated Other Comprehensive Loss to our earnings due to the discontinuation of hedge accounting since July 1, 2012.

Realized (loss)/gain on derivatives
Realized loss on interest rate swap hedges, decreased by $24.7 million, to $123.6 million in the twelve months ended December 31, 2014, from $148.3 million in the twelve months ended December 31, 2013. This decrease is mainly attributable to the $558.8 million lower average notional amount of swaps during the twelve months ended December 31, 2014 compared to the twelve months ended December 31, 2013.

Adjusted EBITDA
Adjusted EBITDA decreased 7.0%, or $30.3 million, to $404.0 million in the twelve months ended December 31, 2014, from $434.3 million in the twelve months ended December 31, 2013. Adjusted EBITDA for the twelve months ended December 31, 2014, is adjusted for an impairment loss of $75.8 million in relation to our older vessels, as well as unrealized gain on derivatives of $24.9 million, realized losses on derivatives of $119.6 million, a gain on sale of vessels of $5.7 million and stock compensation of $0.6 million. Tables reconciling Adjusted EBITDA to Net Income can be found at the end of this earnings release.

<u>Conference Call and Webcast</u>
On Tuesday, February 10, 2015 at 9:00 A.M. ET, the Company's management will host a conference call to discuss the results.

Conference Call Details:
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 17, 2015 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#

Audio Webcast:
There will also be a live and then archived webcast of the conference call through the Danaos website (www.danaos.com). Participants of 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 56 containerships aggregating 334,239 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".

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

ability to obtain financing and comply with covenants in our financing arrangements, actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists.

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

Visit our website at www.danaos.com

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Appendix

Fleet Utilization

Danaos had 25 unscheduled off-hire days in the three months ended December 31, 2014. 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 2014	Second Quarter 2014	Third Quarter 2014	Fourth Quarter 2014	Total
Ownership Days	5,277	5,079	4,968	5,082	**20,406**
Less Off-hire Days:					
Scheduled Off-hire Days	(30)	(14)	(9)	(62)	**(115)**
Other Off-hire Days*	(225)	(122)	(14)	(25)	**(386)**
Operating Days	**5,022**	**4,943**	**4,945**	**4,995**	**19,905**
Vessel Utilization	**95.2%**	**97.3%**	**99.5%**	**98.3%**	**97.5%**
Operating Revenues (in '000s of US Dollars)	**$135,486**	**$136,440**	**$139,496**	**$140,669**	**$552,091**
Average Gross Daily Charter Rate	**$26,978**	**$27,603**	**$28,210**	**$28,162**	**$27,736**

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**

* Other Off-hire days include unscheduled off-hires in the normal course of operation as well as days where hire is not earned when vessels have been on lay-up or repositioning for a new charter

Fleet List

The following table describes in detail our fleet deployment profile as of February, 9, 2015.

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
MOL Performance	6,402	2002	March 2015
MOL Priority	6,402	2002	March 2015
Federal	4,651	1994	March 2015
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	January 2016
Deva	4,253	2004	May 2015
ZIM Rio Grande	4,253	2008	May 2020
ZIM Sao Paolo	4,253	2008	August 2020
OOCL Istanbul	4,253	2008	September 2020
ZIM Monaco	4,253	2009	November 2020
OOCL Novorossiysk	4,253	2009	February 2021
ZIM Luanda	4,253	2009	May 2021
Dimitris C	3,430	2001	September 2015
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
MSC Zebra(3)	2,602	2001	October 2017
Amalia C	2,452	1998	March 2015
Niledutch Palanca (4)	2,524	2001	August 2015
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 September 14, 2014, the *Niledutch Zebra* was renamed t*o MSC Zebra* at the request of the charterer of this vessel

(4) On March 25, 2014, the *Danae C* was renamed t*o Niledutch Palanca* 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, 2014	Three months ended December 31, 2013	Twelve months ended December 31, 2014	Twelve months ended December 31, 2013
OPERATING REVENUES	**$140,669**	**$147,001**	**$552,091**	**$588,117**
OPERATING EXPENSES				
Vessel operating expenses	(27,764)	(30,452)	(113,755)	(122,074)
Depreciation & amortization	(35,751)	(35,591)	(141,448)	(142,896)
Impairment loss	(75,776)	(19,004)	(75,776)	(19,004)
General & administrative	(5,529)	(4,861)	(21,442)	(19,458)
Gain/(loss) on sale of vessels	—	(605)	5,709	(449)
Other operating expenses	(3,357)	(2,783)	(12,974)	(11,770)
Income From Operations	**(7,508)**	**53,705**	**192,405**	**272,466**
OTHER EARNINGS/(EXPENSES)				
Interest income	824	638	1,703	2,210
Interest expense	(19,029)	(22,123)	(79,980)	(91,185)
Other finance cost, net	(4,859)	(4,970)	(19,757)	(20,120)
Other income/(expenses), net	99	44	422	302
Realized (loss)/gain on derivatives	(26,478)	(36,690)	(123,628)	(148,271)
Unrealized gain/(loss) on derivatives	5,575	5,160	24,915	22,121
Total Other Income/(Expenses), net	**(43,868)**	**(57,941)**	**(196,325)**	**(234,943)**
Net (Loss)/Income	**$(51,376)**	**$(4,236)**	**$(3,920)**	**$37,523**
EARNINGS PER SHARE				
Basic & diluted net (loss)/income per share	$(0.47)	$(0.04)	$(0.04)	$0.34
Basic & diluted weighted average number of common shares (in thousands of shares)	109,696	109,657	109,676	109,654

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

	Three months ended December 31, 2014	Three months ended December 31, 2013	Twelve months ended December 31, 2014	Twelve months ended December 31, 2013
Net (loss)/income	$(51,376)	$(4,236)	$(3,920)	$37,523
Unrealized (gain)/loss on derivatives	(5,575)	(5,160)	(24,915)	(22,121)
Amortization and write-offs of financing fees & finance fees accrued	4,630	4,753	18,815	19,194
Impairment loss	75,776	19,004	75,776	19,004
Loss/(Gain) on sale of vessels	—	605	(5,709)	449
Adjusted Net Income	**$23,455**	**$14,966**	**$60,047**	**$54,049**
Adjusted Earnings Per Share	**$0.21**	**$0.14**	**$0.55**	**$0.49**
Weighted average number of shares	109,696	109,657	109,676	109,654

* 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, 2014 and 2013. 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, 2014	As of December 31, 2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$57,730	$68,153
Restricted cash	2,824	14,717
Accounts receivable, net	7,904	8,038
Other current assets	34,615	35,958
	103,073	126,866
NON-CURRENT ASSETS		
Fixed assets, net	3,624,338	3,842,617
Deferred charges, net	55,275	67,949
Fair value of financial instruments	664	2,472
Other non-current assets	67,842	26,648
	3,748,119	3,939,686
TOTAL ASSETS	**$3,851,192**	**$4,066,552**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Long-term debt, current portion	$178,116	$146,462
Vendor Financing, current portion	46,530	57,388
Accounts payable, accrued liabilities & other current liabilities	52,414	56,607
Fair value of financial instruments, current portion	51,022	109,431
	328,082	369,888
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	2,773,004	2,965,641
Vendor financing, net of current portion	17,837	64,367
Fair value of financial instruments, net of current portion	2,398	59,077
Other long-term liabilities	41,722	9,103
	2,834,961	3,098,188
STOCKHOLDERS' EQUITY		
Common stock	1,097	1,097
Additional paid-in capital	546,735	546,097
Accumulated other comprehensive loss	(139,742)	(232,697)
Retained earnings	280,059	283,979
	688,149	598,476
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$3,851,192**	**$4,066,552**

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

	Three months ended December 31, 2014	Three months ended December 31, 2013	Twelve months ended December 31, 2014	Twelve months ended December 31, 2013
Operating Activities:				
Net (loss)/income	$(51,376)	$(4,236)	$(3,920)	$37,523
Adjustments to reconcile net (loss)/income to net cash provided by operating activities:				
Depreciation	34,590	34,615	137,061	137,414
Impairment loss	75,776	19,004	75,776	19,004
Amortization of deferred drydocking & special survey costs, finance cost and other finance fees accrued	5,791	5,729	23,147	24,676
Written off amount of deferred charges	—	—	55	—
Payments for drydocking/special survey	(2,832)	(14)	(6,887)	(283)
Amortization of deferred realized losses on cash flow interest rate swaps	1,012	1,013	4,016	4,017
Unrealized (gain)/loss on derivatives	(5,575)	(5,160)	(24,915)	(22,121)
Loss/(gain) on sale of vessels	—	605	(5,709)	449
Stock based compensation	638	75	638	75
Accounts receivable	(1,249)	(3,601)	134	(4,297)
Other assets, current and non-current	(2,095)	(4,708)	(719)	(10,052)
Accounts payable and accrued liabilities	(3,987)	(2,568)	(6,820)	(2,841)
Other liabilities, current and non-current	(1,278)	1,094	324	5,461
Net Cash provided by Operating Activities	**49,415**	**41,848**	**192,181**	**189,025**
Investing Activities:				
Vessel additions and vessel acquisitions	(37,951)	(28,094)	(39,165)	(46,839)
Net proceeds from sale of vessels	—	18,778	50,602	52,926
Net Cash (used in)/provided by Investing Activities	**(37,951)**	**(9,316)**	**11,437**	**6,087**
Financing Activities:				
Debt repayment	(48,543)	(50,483)	(221,542)	(171,021)
Deferred costs	(4,392)	—	(4,392)	(100)
Decrease/(Increase) in restricted cash	34,568	5,610	11,893	(11,466)
Net Cash used in Financing Activities	**(18,367)**	**(44,873)**	**(214,041)**	**(182,587)**
Net Increase/(Decrease) in cash and cash equivalents	(6,903)	(12,341)	(10,423)	12,525
Cash and cash equivalents, beginning of period	64,633	80,494	68,153	55,628
Cash and cash equivalents, end of period	**$57,730**	**$68,153**	**$57,730**	**$68,153**

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

	Three months ended December 31, 2014	Three months ended December 31, 2013	Twelve months ended December 31, 2014	Twelve months ended December 31, 2013
Net (loss)/income	$(51,376)	$(4,236)	$(3,920)	$37,523
Depreciation	34,590	34,615	137,061	137,414
Amortization of deferred drydocking & special survey costs	1,161	976	4,387	5,482
Amortization of deferred finance costs and write-offs and other finance fees accrued	4,630	4,753	18,815	19,194
Amortization of deferred realized losses on interest rate swaps	1,012	1,013	4,016	4,017
Interest income	(824)	(638)	(1,703)	(2,210)
Interest expense	19,029	22,123	79,980	91,185
Impairment loss	75,776	19,004	75,776	19,004
Loss/(gain) on sale of vessels	—	605	(5,709)	449
Stock based compensation	638	75	638	75
Realized loss on derivatives	25,466	35,677	119,612	144,254
Unrealized (gain)/loss on derivatives	(5,575)	(5,160)	(24,915)	(22,121)
Adjusted EBITDA[(1)]	**$104,527**	**$108,807**	**$404,038**	**$434,266**

1) Adjusted EBITDA represents net (loss)/income before interest income and expense, depreciation, amortization of deferred drydocking & special survey costs and deferred finance costs, amortization of deferred realized losses on interest rate swaps, impairment loss, unrealized (gain)/loss on derivatives, realized loss on derivatives, stock based compensation and loss/(gain) 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, 2014 and 2013. 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.