

Danaos Corporation Reports Third Quarter and Nine Months Results for the Period Ended September 30, 2018

Athens, Greece, November 14, 2018 – Danaos Corporation (“Danaos”) (NYSE: DAC), one of the world’s largest independent owners of containerships, today reported unaudited results for the period ended September 30, 2018.

Highlights for the Third Quarter and Nine Months Ended September 30, 2018:

- On August 10, 2018, we consummated the agreement with certain of our lenders to refinance approximately \$2.2 billion of our debt maturing on December 31, 2018, reducing our debt by approximately \$551 million, resetting financial and other covenants, modifying interest rates and amortization profiles and extending debt maturities by approximately five years to December 31, 2023. In connection with this refinancing, we issued approximately 99.3 million shares of common stock to certain of our lenders. See “Debt Refinancing”.
- Adjusted net income¹ of \$37.5 million, or \$0.23 per share, for the three months ended September 30, 2018 compared to \$30.1 million, or \$0.27 per share, for the three months ended September 30, 2017, an increase of 24.6%. Adjusted net income¹ of \$94.6 million, or \$0.74 per share, for the nine months ended September 30, 2018 compared to \$83.7 million, or \$0.76 per share, for the nine months ended September 30, 2017, an increase of 13.0%.
- Operating revenues of \$117.8 million for the three months ended September 30, 2018 compared to \$113.6 million for the three months ended September 30, 2017, an increase of 3.7%. Operating revenues of \$343.1 million for the nine months ended September 30, 2018 compared to \$337.6 million for the nine months ended September 30, 2017, an increase of 1.6%.
- Adjusted EBITDA¹ of \$82.7 million for the three months ended September 30, 2018 compared to \$79.8 million for the three months ended September 30, 2017, an increase of 3.6%. Adjusted EBITDA¹ of \$237.7 million for the nine months ended September 30, 2018 compared to \$230.4 million for the nine months ended September 30, 2017, an increase of 3.2%.
- Total contracted operating revenues were \$1.7 billion as of September 30, 2018, with charters extending through 2028 and remaining average contracted charter duration of 5.1 years, weighted by aggregate contracted charter hire.
- Charter coverage of 90% for the next 12 months based on current operating revenues and 78% in terms of contracted operating days.

Three and Nine Months Ended September 30, 2018 Financial Summary - Unaudited

(Expressed in thousands of United States dollars, except per share amounts)

	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Operating revenues	\$117,781	\$113,588	\$343,101	\$337,563
Net income	\$127,217	\$22,427	\$148,047	\$61,099
Adjusted net income ¹	\$37,452	\$30,091	\$94,581	\$83,650
Earnings per share, diluted	\$0.77	\$0.20	\$1.15	\$0.56
Adjusted earnings per share, diluted ¹	\$0.23	\$0.27	\$0.74	\$0.76
Diluted weighted average number of shares (in thousands)	165,597	109,825	128,603	109,825
Adjusted EBITDA ¹	\$82,745	\$79,753	\$237,677	\$230,362

¹Adjusted 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.

Danaos' CEO Dr. John Coustas commented:

"Danaos completed a very significant refinancing transaction in the 3rd quarter of 2018 that reduced our debt by \$551 million, reset financial covenants and extended debt maturities to the end of 2023 on the back of a sustainable new amortization profile. This transaction has strengthened the Company's growth prospects over the next five years by removing all balloon payments and maturities of existing debt during that period.

Adjusted net income for the 3rd quarter of 2018 was \$37.5 million or 23 cents per share, \$7.4 million or 24.6% higher when compared to the 3rd quarter of 2017. This improvement was primarily the result of a \$4.2 million increase in operating revenues due to improved re-chartering rates. Adjusted EBITDA for the 3rd quarter of 2018 was \$82.7 million, \$2.9 million or 3.6% higher when compared to the 3rd quarter of 2017.

Since our last earnings report, the charter market has remained consistently soft. Uncertainty about the potential impact of ongoing trade tensions, combined with higher newbuilding prices due to increasing steel prices and wages in China have discouraged new ordering except some feeder projects by some Asian liners. This is positive for the medium term market outlook. Instead, market participants have been focusing on the 2020 regulations and in particular investments on scrubbers for vessels from 6,500 TEU upwards.

Danaos has been actively focused on positioning our fleet ahead of the implementation of the new regulations. Thus far, we have committed to install exhaust cleaning systems, or scrubbers, on six vessels, two of which are owned by our joint venture Gemini Shipholdings Corporation. These vessels have been chartered out for periods of at least three years in duration and since these are all vessels that are currently on short term charters, these transactions significantly improve income visibility. Additionally, the charter rate fixtures provide a full payback of the investment over three years, and we also benefit from the enhancement in the value of the upgraded underlying assets. We are also currently in discussions to install scrubbers on a further five vessels.

We maintain our high charter contract coverage of 90% in terms of operating revenues and 78% in terms of operating days over the next 12 months. This insulates us from the near-term soft charter market. Through the six charters described above on vessels with scrubbers and an additional two fixtures that have been secured for durations of three years, our charter coverage has improved, and our contracted revenue has increased by more than \$160 million.

Danaos continues to be a leader in the container shipping industry on the back of a solid track record of operational excellence and technological innovation that allows us to continually deliver high quality service to our customers. At the same time, the recently concluded re-financing transaction further enhances our ability to pursue growth opportunities and deliver value to our shareholders."

Three months ended September 30, 2018 compared to the three months ended September 30, 2017

During the three months ended September 30, 2018 and September 30, 2017, Danaos had an average of 55 containerships. Our fleet utilization for the three months ended September 30, 2018 was 97.4% compared to 97.0% for the three months ended September 30, 2017.

Our adjusted net income amounted to \$37.5 million, or \$0.23 per share, for the three months ended September 30, 2018 compared to \$30.1 million, or \$0.27 per share, for the three months ended September 30, 2017. We have adjusted our net income in the three months ended September 30, 2018 for the gain on debt extinguishment of \$116.4 million, refinancing related professional fees of \$21.8 million and a non-cash fees amortization charge and accrued finance fees of \$4.8 million. Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

The increase of \$7.4 million in adjusted net income for the three months ended September 30, 2018 compared to the three months ended September 30, 2017 is attributable mainly to a \$4.2 million increase in operating revenues, a \$3.4 million decrease in net finance expenses and a \$0.4 million operating performance improvement on equity investments, which were partially offset by \$0.6 million increase in total operating expenses.

On a non-adjusted basis, our net income amounted to \$127.2 million, or \$0.77 per share, for the three months ended September 30, 2018 compared to net income of \$22.4 million, or \$0.20 per share, for the three months ended September 30, 2017.

Operating Revenues

Operating revenues increased by 3.7%, or \$4.2 million, to \$117.8 million in the three months ended September 30, 2018 from \$113.6 million in the three months ended September 30, 2017.

Operating revenues for the three months ended September 30, 2018 reflect:

- \$6.3 million increase in revenues in the three months ended September 30, 2018 compared to the three months ended September 30, 2017 due to the re-chartering of certain of our vessels at higher rates.
- \$2.1 million decrease in revenues due to lower fleet utilization of our vessels in the three months ended September 30, 2018 compared to the three months ended September 30, 2017.

Vessel Operating Expenses

Vessel operating expenses decreased by 2.3%, or \$0.6 million, to \$25.5 million in the three months ended September 30, 2018 from \$26.1 million in the three months ended September 30, 2017. The average daily operating cost per vessel for vessels on time charter was \$5,427 per day for the three months ended September 30, 2018 compared to \$5,569 per day for the three months ended September 30, 2017. Management believes that 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 by 7.5%, or \$2.2 million, to \$27.0 million in the three months ended September 30, 2018 from \$29.2 million in the three months ended September 30, 2017.

Amortization of Deferred Dry-docking and Special Survey Costs

Amortization of deferred dry-docking and special survey costs increased by \$1.0 million, to \$2.6 million in the three months ended September 30, 2018 from \$1.6 million in the three months ended September 30, 2017. The increase was mainly due to the increased number of vessels dry-docked over the last nine months.

General and Administrative Expenses

General and administrative expenses increased by \$2.0 million to \$7.4 million in the three months ended September 30, 2018, from \$5.4 million in the three months ended September 30, 2017. The increase was mainly due to increased remuneration costs and professional fees.

Other Operating Expenses

Other Operating Expenses include Voyage Expenses.

Voyage Expenses

Voyage expenses increased by \$0.3 million to \$2.9 million in the three months ended September 30, 2018, from \$2.6 million in the three months ended September 30, 2017.

Interest Expense and Interest Income

Interest expense decreased by 6.8%, or \$1.5 million, to \$20.5 million in the three months ended September 30, 2018 from \$22.0 million in the three months ended September 30, 2017. The decrease in interest expense is attributed to:

- (i) a \$6.4 million decrease in interest expense on two of our facilities for which we have recognized an interest expense accrual of approximately \$250 million during the quarter ended September 30, 2018. This interest expense accrual has been classified in our income statement under "Gain on debt extinguishment" and on our balance sheet under "Accumulated accrued interest" and represents future interest expense for the relevant facilities that has been accrued in advance as a result of the application of Troubled Debt Restructuring ("TDR") accounting in connection with our debt refinancing.

(ii) a \$3.2 million increase in interest expense due to an increase in debt service cost of approximately 1.35%, partially offset by a \$435 million decrease in our average debt, to \$1,950.1 million in the three months ended September 30, 2018, compared to \$2,385.8 million in the three months ended September 30, 2017.

(iii) a \$1.7 million increase in the amortization of deferred finance costs related to our debt refinancing.

As of September 30, 2018, the debt outstanding, gross of deferred finance costs, was \$1,694.5 million compared to \$2,381.7 million as of September 30, 2017.

Interest income increased by \$0.1 million to \$1.5 million in the three months ended September 30, 2018 compared to \$1.4 million in the three months ended September 30, 2017.

Other finance costs, net

Other finance costs, net decreased by \$0.3 million to \$0.7 million in the three months ended September 30, 2018 compared to \$1.0 million in the three months ended September 30, 2017 mainly due to decreased exit fees expenses.

Equity income on investments

Equity income on investments amounted to \$0.7 million in the three months ended September 30, 2018 compared to \$0.3 million in the three months ended September 30, 2017 and relates to the improved operating performance of Gemini Shipholdings Corporation ("Gemini"), in which the Company has a 49% shareholding interest.

Gain on debt extinguishment

The gain on debt extinguishment of \$116.4 million in the three months ended September 30, 2018 relates to our debt refinancing described below and consists of debt principal reduction net of refinancing related fees.

Loss on derivatives

Amortization of deferred realized losses on interest rate swaps remained stable at \$0.9 million in each of the three months ended September 30, 2018 and 2017.

Other income/(expenses), net

Other income/(expenses), net was \$21.6 million in expenses in the three months ended September 30, 2018 compared to \$3.9 million in expenses in the three months ended September 30, 2017 mainly due to the increase in refinancing-related professional fees.

Adjusted EBITDA

Adjusted EBITDA increased by 3.6%, or \$2.9 million, to \$82.7 million in the three months ended September 30, 2018 from \$79.8 million in the three months ended September 30, 2017. As outlined above, this increase is mainly attributable to a \$4.2 million increase in operating revenues and a \$0.4 million operating performance improvement on our equity investments, which were partially offset by a \$1.7 million increase in total operating expenses. Adjusted EBITDA for the three months ended September 30, 2018 is adjusted for a gain on debt extinguishment of \$116.4 million, refinancing-related professional fees of \$21.8 million and stock based compensation of \$0.2 million. Tables reconciling Adjusted EBITDA to Net Income can be found at the end of this earnings release.

Nine months ended September 30, 2018 compared to the nine months ended September 30, 2017

During the nine months ended September 30, 2018 and September 30, 2017, Danaos had an average of 55 containerships. Our fleet utilization for the nine months ended September 30, 2018 was 96.4% compared to 95.9% for the nine months ended September 30, 2017. The fleet utilization excluding the off charter days of the vessels that were previously chartered to Hanjin was 98.0% in the nine months ended September 30, 2017.

Our adjusted net income amounted to \$94.6 million, or \$0.74 per share, for the nine months ended September 30, 2018 compared to \$83.7 million, or \$0.76 per share, for the nine months ended September 30, 2017. We have adjusted our net income in the nine months ended September 30, 2018 for the gain on

debt extinguishment of \$116.4 million, refinancing related professional fees of \$51.5 million and a non-cash fees amortization charge and accrued finance fees of \$11.4 million. Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

The increase of \$10.9 million in adjusted net income for the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017 is attributable to a \$5.5 million increase in operating revenues, a \$5.3 million decrease in total operating expenses, a \$0.7 million increase in other income and a \$0.3 million increase in the operating performance of our equity investment in Gemini, which were partially offset by \$0.9 million increase in net finance expenses.

On a non-adjusted basis, our net income amounted to \$148.0 million, or \$1.15 per share, for the nine months ended September 30, 2018 compared to net income of \$61.1 million, or \$0.56 per share, for the nine months ended September 30, 2017.

Operating Revenues

Operating revenues increased by 1.6%, or \$5.5 million, to \$343.1 million in the nine months ended September 30, 2018 from \$337.6 million in the nine months ended September 30, 2017.

Operating revenues for the nine months ended September 30, 2018 reflect:

- \$12.5 million increase in revenues in the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017 due to the re-chartering of certain of our vessels at higher rates.
- \$7.0 million decrease in revenues due to lower fleet utilization of our vessels in the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017 (other than three vessels previously chartered to Hanjin which were less utilized in the nine months ended September 30, 2017).

Vessel Operating Expenses

Vessel operating expenses decreased by 2.1%, or \$1.7 million, to \$79.1 million in the nine months ended September 30, 2018 from \$80.8 million in the nine months ended September 30, 2017. The average daily operating cost per vessel for vessels on time charter was \$5,678 per day for the nine months ended September 30, 2018 compared to \$5,687 per day for the nine months ended September 30, 2017. Management believes that 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 by 7.4%, or \$6.5 million, to \$80.8 million in the nine months ended September 30, 2018 from \$87.3 million in the nine months ended September 30, 2017.

Amortization of Deferred Dry-docking and Special Survey Costs

Amortization of deferred dry-docking and special survey costs increased by \$1.9 million, to \$6.9 million in the nine months ended September 30, 2018 from \$5.0 million in the nine months ended September 30, 2017. The increase was mainly due to the increased number of vessels dry-docked over the last nine months.

General and Administrative Expenses

General and administrative expenses increased by \$1.5 million, to \$18.4 million in the nine months ended September 30, 2018, from \$16.9 million in the nine months ended September 30, 2017. The increase was mainly due to increased remuneration costs and professional fees.

Other Operating Expenses

Other Operating Expenses include Voyage Expenses.

Voyage Expenses

Voyage expenses decreased by \$0.4 million, to \$9.2 million in the nine months ended September 30, 2018 from \$9.6 million in the nine months ended September 30, 2017.

Interest Expense and Interest Income

Interest expense increased by 3.3%, or \$2.1 million, to \$66.4 million in the nine months ended September 30, 2018 from \$64.3 million in the nine months ended September 30, 2017. The decrease in interest expense is attributed to:

(i) a \$6.4 million decrease in interest expense on two of our facilities for which we have recognized an interest expense accrual of approximately \$250 million during the quarter ended September 30, 2018. This interest expense accrual has been classified in our income statement under "Gain on debt extinguishment" and on our balance sheet under "Accumulated accrued interest" and represents future interest expense for the relevant facilities that has been accrued in advance as a result of the application of TDR accounting in connection with our debt refinancing.

(ii) a \$7.4 million increase in interest expense due to an increase in debt service cost of approximately 0.94%, partially offset by a \$257.6 million decrease in our average debt, to \$2,174.5 million in the three months ended September 30, 2018, compared to \$2,432.1 million in the three months ended September 30, 2017.

(iii) a \$1.1 million increase in the amortization of deferred finance costs related to our debt refinancing.

As of September 30, 2018, the debt outstanding, gross of deferred finance costs, was \$1,694.5 million compared to \$2,381.7 million as of September 30, 2017.

Interest income increased by \$0.1 million to \$4.3 million in the nine months ended September 30, 2018 compared to \$4.2 million in the nine months ended September 30, 2017.

Other finance costs, net

Other finance costs, net decreased by \$0.5 million, to \$2.6 million in the nine months ended September 30, 2018 from \$3.1 million in the nine months ended September 30, 2017 mainly due to decreased exit fees expenses.

Equity income on investments

Equity income on investments amounted to \$0.9 million in the nine months ended September 30, 2018 compared to \$0.6 million in the nine months ended September 30, 2017 and relates to the improved operating performance of Gemini, in which the Company has a 49% shareholding interest.

Gain on debt extinguishment

The gain on debt extinguishment of \$116.4 million in the nine months ended September 30, 2018 relates to our debt refinancing described below and consists of debt principal reduction net of refinancing related fees.

Loss on derivatives

Amortization of deferred realized losses on interest rate swaps remained stable at \$2.8 million in each of the nine months ended September 30, 2018 and 2017.

Other income/(expenses), net

Other income/(expenses), net was \$50.6 million in expenses in the nine months ended September 30, 2018 compared to \$11.5 million in expenses in the nine months ended September 30, 2017 mainly due to a \$42.2 million increase in refinancing-related professional fees, which were partially offset by a \$0.7 million increase in other income and a \$2.4 million realized loss on sale of HMM securities in the nine months ended September 30, 2017 that did not recur in the 2018 period.

Adjusted EBITDA

Adjusted EBITDA increased by 3.2%, or \$7.3 million, to \$237.7 million in the nine months ended September 30, 2018 from \$230.4 million in the nine months ended September 30, 2017. As outlined above, this increase is attributable to a \$5.5 million increase in operating revenues, a \$0.8 million decrease in total operating expenses, a \$0.7 million increase in other income and a \$0.3 million increase in operating performance on our equity investments in the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017. Adjusted EBITDA for the nine months ended September 30, 2018 is adjusted for a gain on debt extinguishment of \$116.4 million, refinancing-related professional fees of \$51.5 million and stock based compensation of \$0.2 million. Tables reconciling Adjusted EBITDA to Net Income can be found at the end of this earnings release.

Debt Refinancing

On August 10, 2018, we consummated the agreement reached with certain of our lenders on June 19, 2018 for the refinancing of approximately \$2.2 billion of our debt maturing on December 31, 2018, reducing our debt by approximately \$551 million. This agreement significantly strengthened our capital structure and financial position through this significant debt reduction, resetting financial and certain other covenants in our credit facilities, modifying interest rates and amortization profiles and extending debt maturities by approximately five years to December 31, 2023. In connection with this debt refinancing, we issued 99,342,271 new shares of Danaos common stock to certain of our lenders, which represented 47.5% of our outstanding common stock after giving effect to this issuance and diluting existing shareholders ratably. For additional information regarding the debt refinancing, see the Company's Reports on Form 6-K filed with the SEC on June 25, 2018 and August 14, 2018.

Conference Call and Webcast

On Thursday, November 15, 2018 at 9:00 A.M. ET, 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: 1 844 802 2437 (US Toll Free Dial In), 0800 279 9489 (UK Toll Free Dial In) or +44 (0) 2075 441 375 (Standard International Dial In). Please indicate to the operator that you wish to join the Danaos Corporation earnings call.

A telephonic replay of the conference call will be available until November 22, 2018 by dialing 1 877 344 7529 (US Toll Free Dial In) or +44 (0) 2036 088 021 (Standard International Dial In) and using 10126336# as the access code.

Audio Webcast

There will also be a live and then archived webcast of the conference call, including a slide presentation providing additional company information, 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 one of the largest independent owners of modern, large-size containerships. Our current fleet of 59 containerships aggregating 351,614 TEUs, including four vessels owned by Gemini Shipholdings Corporation, a joint venture, ranks Danaos among the largest containership charter owners in the world based on total TEU capacity. Our fleet is chartered to many of the world's largest liner companies on fixed-rate charters. Our long track record of success is predicated on our efficient and rigorous operational standards and environmental controls. Danaos Corporation'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, including statements about the expected benefits of the refinancing and other statements that are forward looking. 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. 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 effects of the refinancing transactions; Danaos' ability to achieve the expected benefits of the refinancing and comply with the terms of its new credit facilities and other agreements entered into in connection with the refinancing; 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 dry-docking, 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 111 unscheduled off-hire days in the three months ended September 30, 2018. 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 2018	Second Quarter 2018	Third Quarter 2018	Total
Ownership Days	4,950	5,005	5,060	15,015
Less Off-hire Days:				
Scheduled Off-hire Days	(125)	(111)	(22)	(258)
Other Off-hire Days	(91)	(84)	(111)	(286)
Operating Days	4,734	4,810	4,927	14,471
Vessel Utilization	95.6%	96.1%	97.4%	96.4%
Operating Revenues (in '000s of US Dollars)	\$111,854	\$113,466	\$117,781	\$343,101
Average Gross Daily Charter Rate	\$23,628	\$23,590	\$23,905	\$23,710

Vessel Utilization (No. of Days)	First Quarter 2017	Second Quarter 2017	Third Quarter 2017	Total
Ownership Days	4,950	5,005	5,060	15,015
Less Off-hire Days:				
Scheduled Off-hire Days	(15)	(6)	(15)	(36)
Other Off-hire Days	(347)	(99)	(139)	(585)
Operating Days	4,588	4,900	4,906	14,394
Vessel Utilization	92.7%	97.9%	97.0%	95.9%
Operating Revenues (in '000s of US Dollars)	\$110,087	\$113,888	\$113,588	\$337,563
Average Gross Daily Charter Rate	\$23,995	\$23,242	\$23,153	\$23,452

Fleet List

The following table describes in detail our fleet deployment profile as of November 13, 2018:

Vessel Name	Vessel Size (TEU)	Year Built	Expiration of Charter ⁽¹⁾
Containerships			
<i>MSC Ambition</i>	13,100	2012	June 2024
<i>Maersk Exeter</i>	13,100	2012	June 2024
<i>Maersk Enping</i>	13,100	2012	May 2024
<i>Hyundai Respect</i>	13,100	2012	March 2024
<i>Hyundai Honour</i>	13,100	2012	February 2024
<i>Express Rome</i>	10,100	2011	February 2022
<i>Express Berlin</i>	10,100	2011	September 2019
<i>Express Athens</i>	10,100	2011	February 2022
<i>Le Havre (ex CSCL Le Havre)</i>	9,580	2006	November 2022
<i>Pusan C (ex CSCL Pusan)</i>	9,580	2006	November 2022
<i>CMA CGM Melisande</i>	8,530	2012	November 2023

<i>CMA CGM Attila</i>	8,530	2011	April 2023
<i>CMA CGM Tancredi</i>	8,530	2011	May 2023
<i>CMA CGM Bianca</i>	8,530	2011	July 2023
<i>CMA CGM Samson</i>	8,530	2011	September 2023
<i>America (ex CSCL America)</i>	8,468	2004	November 2022
<i>Europe</i>	8,468	2004	November 2022
<i>CMA CGM Moliere</i>	6,500	2009	August 2021
<i>CMA CGM Musset</i>	6,500	2010	August 2022
<i>CMA CGM Nerval</i>	6,500	2010	October 2022
<i>CMA CGM Rabelais</i>	6,500	2010	December 2022
<i>CMA CGM Racine</i>	6,500	2010	January 2023
<i>YM Mandate</i>	6,500	2010	January 2028
<i>YM Maturity</i>	6,500	2010	April 2028
<i>Performance</i>	6,402	2002	May 2019
<i>Dimitra C (ex Priority)</i>	6,402	2002	December 2018
<i>YM Seattle</i>	4,253	2007	July 2019
<i>YM Vancouver</i>	4,253	2007	September 2019
<i>Derby D</i>	4,253	2004	March 2019
<i>ANL Tongala (ex Deva)</i>	4,253	2004	March 2019
<i>ZIM Rio Grande</i>	4,253	2008	May 2020
<i>ZIM Sao Paolo</i>	4,253	2008	August 2020
<i>ZIM Kingston</i>	4,253	2008	September 2020
<i>ZIM Monaco</i>	4,253	2009	November 2020
<i>ZIM Dalian</i>	4,253	2009	February 2021
<i>ZIM Luanda</i>	4,253	2009	May 2021
<i>Dimitris C</i>	3,430	2001	June 2019
<i>Express Black Sea</i>	3,400	2011	November 2018
<i>Express Spain</i>	3,400	2011	January 2019
<i>Express Argentina</i>	3,400	2010	May 2019
<i>Express Brazil</i>	3,400	2010	July 2019
<i>Express France</i>	3,400	2010	September 2019
<i>Singapore</i>	3,314	2004	October 2019
<i>Colombo</i>	3,314	2004	March 2019
<i>MSC Zebra</i>	2,602	2001	September 2020
<i>Amalia C</i>	2,452	1998	August 2019
<i>Danae C</i>	2,524	2001	January 2020
<i>Advance</i>	2,200	1997	December 2018
<i>Future</i>	2,200	1997	December 2018
<i>Sprinter</i>	2,200	1997	February 2019
<i>Stride</i>	2,200	1997	February 2019
<i>Progress C (ex Hyundai Progress)</i>	2,200	1998	February 2019
<i>Bridge</i>	2,200	1998	February 2019
<i>Highway</i>	2,200	1998	January 2019
<i>Vladivostok</i>	2,200	1997	March 2019
<i>Catherine C (ex NYK Lodestar)⁽²⁾</i>	6,422	2001	November 2022
<i>NYK Leo⁽²⁾</i>	6,422	2002	November 2022
<i>Suez Canal⁽²⁾</i>	5,610	2002	February 2019
<i>Genoa⁽²⁾</i>	5,544	2002	July 2019

(1) Earliest date charters could expire. Some charters include options to extend their terms.

(2) Vessels acquired by Gemini Shipholdings Corporation, in which Danaos holds a 49% equity interest.

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

	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
OPERATING REVENUES	\$117,781	\$113,588	\$343,101	\$337,563
OPERATING EXPENSES				
Vessel operating expenses	(25,461)	(26,132)	(79,052)	(80,803)
Depreciation & amortization	(29,631)	(30,855)	(87,640)	(92,304)
General & administrative	(7,431)	(5,388)	(18,390)	(16,857)
Other operating expenses	(2,883)	(2,570)	(9,230)	(9,625)
Income From Operations	52,375	48,643	148,789	137,974
OTHER INCOME/(EXPENSES)				
Interest income	1,505	1,386	4,298	4,201
Interest expense	(20,509)	(22,016)	(66,378)	(64,329)
Other finance expenses	(679)	(1,042)	(2,611)	(3,129)
Equity income on investments	728	278	912	633
Gain on debt extinguishment	116,365	-	116,365	-
Other income/(expenses), net	(21,637)	(3,891)	(50,565)	(11,488)
Realized loss on derivatives	(931)	(931)	(2,763)	(2,763)
Total Other Income/(Expenses), net	74,842	(26,216)	(742)	(76,875)
Net Income	\$127,217	\$22,427	\$148,047	\$61,099
EARNINGS PER SHARE				
Basic earnings per share	\$0.77	\$0.20	\$1.15	\$0.56
Diluted earnings per share	\$0.77	\$0.20	\$1.15	\$0.56
Basic weighted average number of common shares (in thousands of shares)	164,870	109,825	128,358	109,825
Diluted weighted average number of common shares (in thousands of shares)	165,597	109,825	128,603	109,825

Non-GAAP Measures*

Reconciliation of Net Income to Adjusted Net Income – Unaudited

	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Net income	\$127,217	\$22,427	\$148,047	\$61,099
Gain on debt extinguishment	\$(116,365)	-	\$(116,365)	-
Amortization of financing fees & finance fees accrued	4,834	3,538	11,432	10,882
Refinancing professional fees	21,766	4,126	51,467	9,312
Loss on sale of securities	-	-	-	2,357
Adjusted Net Income	\$37,452	\$30,091	\$94,581	\$83,650
Adjusted Earnings Per Share, diluted	\$0.23	\$0.27	\$0.74	\$0.76
Diluted weighted average number of shares (in thousands)	165,597	109,825	128,603	109,825

* The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that certain non-GAAP financial measures used in managing the business may provide users of this financial information additional meaningful comparisons between current results and results in prior operating periods. Management believes that these non-GAAP financial measures can provide additional meaningful reflection of underlying trends of the business because they provide a comparison of historical information that excludes certain items that impact the overall comparability. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. See the Table above for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three and nine months ended September 30, 2018 and 2017. 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 Consolidated Balance Sheets - Unaudited
(Expressed in thousands of United States dollars)

	As of September 30, 2018	As of December 31, 2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$80,133	\$66,895
Restricted cash	-	2,812
Accounts receivable, net	8,818	6,502
Other current assets	30,729	49,790
	<u>119,680</u>	<u>125,999</u>
NON-CURRENT ASSETS		
Fixed assets, net	2,717,302	2,795,971
Deferred charges, net	13,979	8,962
Investments in affiliates	6,910	5,998
Other non-current assets	63,476	49,466
	<u>2,801,667</u>	<u>2,860,397</u>
TOTAL ASSETS	<u>\$2,921,347</u>	<u>\$2,986,396</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Long-term debt, current portion	118,517	\$2,329,601
Accumulated accrued interest, current portion	35,815	-
Accounts payable, accrued liabilities & other current liabilities	85,092	50,238
	<u>239,424</u>	<u>2,379,839</u>
LONG-TERM LIABILITIES		
Long-term debt, net	1,527,390	-
Accumulated accrued interest, net of current portion	210,827	-
Other long-term liabilities	61,861	57,852
	<u>1,800,078</u>	<u>57,852</u>
STOCKHOLDERS' EQUITY		
Common stock	2,133	1,098
Additional paid-in capital	724,732	546,898
Accumulated other comprehensive loss	(107,852)	(114,076)
Retained earnings	262,832	114,785
	<u>881,845</u>	<u>548,705</u>
Total liabilities and stockholders' equity	<u>\$2,921,347</u>	<u>\$2,986,396</u>

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

	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Operating Activities:				
Net income	\$127,217	\$22,427	\$148,047	\$61,099
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>				
Depreciation	26,995	29,221	80,752	87,267
Amortization of deferred drydocking & special survey costs, finance cost and other finance fees accrued	7,470	5,172	18,320	15,919
Gain on debt extinguishment	(116,365)	-	(116,365)	-
PIK interest	414	-	414	-
Payments for drydocking/special survey	(1,554)	(1,892)	(11,905)	(6,408)
Amortization of deferred realized losses on cash flow interest rate swaps	931	931	2,763	2,763
Equity income on investments	(728)	(278)	(912)	(633)
Stock based compensation	157	-	157	-
Loss on sale of securities	-	-	-	2,357
Accounts receivable	6,976	731	(2,316)	(3,085)
Other assets, current and non-current	17,340	(4,869)	8,512	(3,233)
Accounts payable and accrued liabilities	(9,701)	(974)	(1,608)	1,644
Other liabilities, current and long-term	(3,844)	(4,694)	(14,959)	(21,864)
Net Cash provided by Operating Activities	55,308	45,775	110,900	135,826
Investing Activities:				
Vessel additions	(400)	(1,084)	(2,083)	(3,696)
Net proceeds from sale of securities	-	-	-	6,236
Net Cash provided by/(used in) Investing Activities	(400)	(1,084)	(2,083)	2,540
Financing Activities:				
Proceeds from long-term debt	325,852	-	325,852	-
Debt repayment	(358,726)	(44,358)	(407,107)	(147,930)
Finance costs	(26,967)	-	(26,967)	-
Paid-in capital	10,000	-	10,000	-
Share issuance costs	(169)	-	(169)	-
Net Cash used in Financing Activities	(50,010)	(44,358)	(98,391)	(147,930)
Net Increase/(Decrease) in cash, cash equivalents and restricted cash	4,898	333	10,426	(9,564)
Cash, cash equivalents and restricted cash, beginning of period	75,235	66,632	69,707	76,529
Cash, cash equivalents and restricted cash, end of period	\$80,133	\$66,965	\$80,133	\$66,965

DANAOS CORPORATION
Reconciliation of Net Income to Adjusted EBITDA - Unaudited
(Expressed in thousands of United States dollars)

	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Net income	\$127,217	\$22,427	\$148,047	\$61,099
Depreciation	26,995	29,221	80,752	87,267
Amortization of deferred drydocking & special survey costs	2,636	1,634	6,888	5,037
Amortization of deferred finance costs and other finance fees accrued	4,834	3,538	11,432	10,882
Amortization of deferred realized losses on interest rate swaps	931	931	2,763	2,763
Interest income	(1,505)	(1,386)	(4,298)	(4,201)
Interest expense	16,079	19,262	56,834	55,846
Gain on debt extinguishment	(116,365)	-	(116,365)	-
Stock based compensation	157		157	-
Refinancing professional fees	21,766	4,126	51,467	9,312
Loss on sale of securities	-	-	-	2,357
Adjusted EBITDA⁽¹⁾	\$82,745	\$79,753	\$237,677	\$230,362

- 1) Adjusted EBITDA represents net 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, loss on sale of securities, gain on debt extinguishment, stock based compensation and refinancing professional fees. 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 operating performance 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. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

Note: Items to consider for comparability include gains and charges. Gains positively impacting net income are reflected as deductions to net income. Charges negatively impacting net income are reflected as increases to net income.

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that certain non-GAAP financial measures used in managing the business may provide users of these financial information additional meaningful comparisons between current results and results in prior operating periods. Management believes that these non-GAAP financial measures can provide additional meaningful reflection of underlying trends of the business because they provide a comparison of historical information that excludes certain items that impact the overall comparability. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. See the Tables above for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three and nine months ended September 30, 2018 and 2017. 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.