World – Class Shipping, Leading – Edge Expertise
DANAOS CORPORATION

Danaos Corporation Reports Third Quarter and Nine Months Results for the Period Ended September 30, 2010.

Athens, Greece, November 8, 2010 – Danaos Corporation ("Danaos") (NYSE: DAC), a leading international owner of containerships, today reported unaudited results for the period ended September 30, 2010.

Highlights for the Three and Nine Months Ended September 30, 2010:

- **Operating revenues of $94.6 million and $259.2 million for the three and the nine months ended September 30, 2010, respectively.**
- **Adjusted net income[1] of $4.5 million or $0.05 per share and $24.4 million or $0.38 per share for the three and the nine months ended September 30, 2010, respectively.**
- **Adjusted EBITDA[1] of $63.4 million and $176.9 million for the three and the nine months ended September 30, 2010, respectively.**

Three and Nine Months Ended September 30, 2010
Financial Summary
(Expressed in thousands of United States dollars, except share and per share amounts):

	Three months ended September 30, 2010	Three months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
	(unaudited)			
Operating revenues	$94,587	$79,792	$259,192	$234,172
Net income/(loss)	$978	$16,372	$(93,452)	$52,271
Adjusted net income[1]	$4,510	$16,012	$24,405	$50,827
Earnings/(losses) per share	$0.01	$0.30	$(1.45)	$0.96
Adjusted earnings per share[1]	$0.05	$0.29	$0.38	$0.93
Weighted average number of shares (thousands)	83,346	54,551	64,256	54,549
Adjusted EBITDA[1]	$63,353	$51,450	$176,888	$147,955

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

The Container industry continued to recover from the 2009 lows and already volumes are past the 2008 peak. Liner companies have all reported strong profitability and optimistic outlook. Seasonality arrived about a month earlier this year because of the earlier peak of shipments. However, we expect that the overall growth, which in 2010 has been in the mid teens, will continue in 2011 but at more sustainable rates. All trades are still at very healthy levels despite a small setback from the peaks reached early in the third quarter.

As we have already announced during the third quarter, Danaos successfully raised $200 million, as well as received commitments from its lenders and yards on vendor financing that ensure the timely delivery of our 15-vessel order-book.

[1] Adjusted net income, adjusted earnings per share and adjusted EBITDA are non-GAAP measures. Refer to the reconciliation of net income/(loss) to adjusted net income and net income/(loss) to adjusted EBITDA.

During the third quarter of 2010, we took delivery of four vessels, the 6,500 TEU CMA CGM Rabelais, the 3,400 TEU Hanjin Santos, the 6,500 TEU CMA CGM Racine and the 6,500 TEU YM Maturity, all of which were subsequently deployed on long-term charters. Our fleet utilization reached 96.9%. Our adjusted net income for non-cash items and one time gains/(losses) was $4.5 million, or $0.05 per share calculated on the basis of the new number of shares we have issued and outstanding as of last August. Nine month operating revenue reached $259 million, up by 10.7% year-on-year while adjusted EBITDA increased by almost 19.5% year-on-year and reached $177 million.

We are firmly on track to take delivery of our contracted fleet and also capitalize on the strength of the container market. This is expected to substantially increase our revenues and EBITDA and demonstrate the significant cash flow generation of the company.

Three months ended September 30, 2010 compared to the three months ended September 30, 2009

On August 6, 2010, we entered into a commitment letter with our lenders for the restructuring of our existing debt obligations, and approximately $426 million of new debt financing. The agreed terms, which are subject to final documentation and other conditions, contemplate that, under our existing bank debt facilities, the amortization and maturities will be rescheduled, the interest rate margin will be reduced from current levels, and the financial covenants, events of default, and guarantee and security packages will be revised. In connection with this arrangement, we have also agreed to issue to our lenders warrants to purchase an aggregate of 15 million shares of our common stock for an exercise price of $7.00 per share. We have also reached an agreement in principle for a $203.4 million credit facility with Citi and the Export-Import Bank of China (or CEXIM). Furthermore, we entered into agreements with several investors, including our largest stockholder, and sold to them 54,054,055 shares of our Common Stock for an aggregate purchase price of $200.0 million in cash. The shares were issued at $3.70 per share on August 12, 2010. Following the transaction, the shares issued and outstanding as of September 30, 2010, were 108,610,739. On September 27, 2010, we entered into a financing facility with Hyundai Samho Heavy Industries ("Hyundai Samho") for an amount of $190 million in respect of eight of our newbuilding containerships being ordered with Hyundai Samho, in the form of delayed payment of a portion of the final installment for each such newbuilding.

During the quarter ended September 30, 2010, Danaos had an average of 47.9 containerships compared to 41.0 containerships for the same period in 2009. During the third quarter of 2010, we took delivery of four vessels, the CMA CGM Rabelais on July 2, 2010, the Hanjin Santos on July 6, 2010, CMA CGM Racine on August 16, 2010 and the YM Maturity on August 18, 2010. Our fleet utilization was 96.9% in the third quarter of 2010.

Our adjusted net income was $4.5 million, or $0.05 per share, for the three months ended September 30, 2010 compared to $16.0 million, or $0.29 per share, for the three months ended September 30, 2009, adjusted for non-cash changes in fair value of derivatives of $12.4 million loss recorded in 2010 compared to $0.4 million gain recorded in 2009, as well as a gain of $12.6 million in relation to an agreement entered into with the charterer of the three newbuildings cancelled in consideration for the termination of the respective charter parties and an expense of $3.7 million for fees related to our Comprehensive Financing Plan in 2010. Adjusted net income for the third quarter of 2010 decreased by $11.5 million, compared to the three months ended September 30, 2009. This decrease is mainly attributable to an increase in the realized loss on our interest rate swap contracts recorded in our Statement of Income during the three months ended September 30, 2010 compared to the same period of 2009, which was partially offset by increased Income from Operations. On a non-adjusted basis, our net income was $1.0 million, or $0.01 per share, for the third quarter of 2010, compared to net income of $16.4 million, or $0.30 per share, for the third quarter of 2009. Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

Operating Revenue

Operating revenue increased 18.5%, or $14.8 million, to $94.6 million in the three months ended September 30, 2010, from $79.8 million in the three months ended September 30, 2009. The increase was primarily attributable to the addition of eight vessels to our fleet, as follows:

Vessel Name	Vessel Size (TEU)	Date Delivered
CMA CGM Musset	6,500	March 12, 2010
CMA CGM Nerval	6,500	May 17, 2010
YM Mandate	6,500	May 19, 2010
Hanjin Buenos Aires	3,400	May 27, 2010
CMA CGM Rabelais	6,500	July 2, 2010
Hanjin Santos	3,400	July 6, 2010
CMA CGM Racine	6,500	August 16, 2010
YM Maturity	6,500	August 18, 2010

These additions to our fleet contributed revenues of $18.4 million during the three months ended September 30, 2010. Moreover, one 6,500 TEU containership, the CMA CGM Moliere, which was added to our fleet on September 28, 2009, contributed incremental revenues of $3.1 million during the three months ended September 30, 2010 compared to the same period in 2009. These revenues were offset in part by the sale of one 1,704 TEU containership, the MSC Eagle, on January 22, 2010, which had contributed revenues of $1.0 million for the three months ended September 30, 2009.

We also had a further decrease in revenues of $5.7 million during the three months ended September 30, 2010, mainly attributable to re-chartering of certain vessels at reduced charter rates, as well as reduced charter hire, in relation to vessels laid up by our charterers, representing operating expenses not being incurred during the lay-up period.

Vessel Operating Expenses

Vessel operating expenses increased 6.9%, or $1.6 million, to $24.7 million in the three months ended September 30, 2010, from $23.1 million in the three months ended September 30, 2009. The increase is mainly attributed to the increased average number of vessels in our fleet under time charter during the three months ended September 30, 2010 compared to the same period of 2009, which was partially offset by reduced costs of certain vessels which were on charterers' directed lay-up for 128 days in the aggregate during the third quarter of 2010 compared to 25 days in the aggregate in the same period of 2009.

Although the average number of vessels in our fleet increased during the three months ended September 30, 2010 compared to the same period of 2009, the average daily operating cost per vessel was reduced to $5,971 for the three months ended September 30, 2010, from $6,162 for the three months ended September 30, 2009 (excluding those vessels on lay-up).

Depreciation & Amortization

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

Depreciation

Depreciation expense increased 35.5%, or $5.5 million, to $21.0 million in the three months ended September 30, 2010, from $15.5 million in the three months ended September 30, 2009. The increase in depreciation expense was due to the increased average number of vessels in our fleet during the three months ended September 30, 2010 compared to the same period of 2009.

Amortization of Deferred Dry-docking and Special Survey Costs

Amortization of deferred dry-docking and special survey costs increased 22.7%, or $0.5 million, to $2.7 million in the three months ended September 30, 2010, from $2.2 million in the three months ended September 30, 2009. The increase reflects higher drydocking costs amortized during the three months ended September 30, 2010 compared to the same period of 2009.

General and Administrative Expenses

General and administrative expenses increased 39.5%, or $1.5 million, to $5.3 million in the three months ended September 30, 2010, from $3.8 million in the same period of 2009. The increase was the result of increased legal and advisory fees of $0.7 million (mainly attributed to fees related to preparing and structuring the Comprehensive Financing Plan) and increased fees of $0.8 million to our Manager in the three months ended September 30, 2010 compared to the same period of 2009, due to the increase in the average number of our vessels in our fleet and an increase in the per day fee payable to our Manager since January 1, 2010.

Other Operating Expenses
Other Operating Expenses includes Voyage Expenses.

Voyage Expenses
Voyage expenses decreased 6.3%, or $0.1 million, to $1.5 million in the three months ended September 30, 2010, from $1.6 million in the three months ended September 30, 2009.

Interest Expense and Interest Income
Interest expense increased by 24.7%, or $2.3 million, to $11.6 million in the three months ended September 30, 2010, from $9.3 million in the three months ended September 30, 2009. The change in interest expense was partially due to the increase in our average debt by $147.2 million, to $2,424.9 million in the quarter ended September 30, 2010, from $2,277.7 million in the quarter ended September 30, 2009. In addition, the delivery of newbuilt vessels has resulted in reduced interest capitalized by $3.4 million, rather than such interest being recognized as an expense, to $5.1 million in the three months ended September 30, 2010, from $8.5 million in the three months ended September 30, 2009.

Interest income decreased by $0.2 million, to $0.2 million in the three months ended September 30, 2010, from $0.4 million in the three months ended September 30, 2009. The decrease in interest income is mainly attributable to lower average cash balances during the three months ended September 30, 2010 compared to the three months ended September 30, 2009.

Other income/(expenses), net
Other income/(expenses), net, improved by $12.5 million, to an income of $12.6 million in the three months ended September 30, 2010, from an income of $0.1 million in the three months ended September 30, 2009. The improvement of $12.6 million is mainly attributable to an agreement entered into with the charterer of the three newbuildings cancelled on May 25, 2010 in consideration for the termination of the respective charter parties, which was recorded during the three months ended September 30, 2010.

Other finance costs, net
Other finance costs, net, increased by $3.4 million, to $3.7 million in the three months ended September 30, 2010, from $0.3 million in the three months ended September 30, 2009. The increase was mainly the result of fees related to the Comprehensive Financing Plan of the Company of $3.1 million, which were recorded during the three months ended September 30, 2010.

Loss on fair value of derivatives
Loss on fair value of derivatives, increased by $27.6 million, to a loss of $35.8 million in the three months ended September 30, 2010, from a loss of $8.2 million in the same period of 2009. The increase is mainly attributable to non-cash changes in fair value of interest rate swaps of $12.4 million loss recorded in our Statement of Income in the three months ended September 30, 2010, due to hedge accounting ineffectiveness, compared to $0.4 million gain in the three months ended September 30, 2009, as well as realized loss on interest rate swap hedges of $23.4 million recorded in our Statement of Income during the three months ended September 30, 2010, which is mainly attributed to higher average notional amount of swaps and reduced LIBOR payable on our credit facilities against LIBOR fixed through such swaps, compared to $8.5 million loss in the three months ended September 30, 2009.

In addition, realized losses on cash flow hedges of $8.0 million and $10.3 million in the three months ended September 30, 2010 and 2009, respectively, were deferred in "Accumulated Other Comprehensive Loss", rather than such realized losses being recognized as expenses, and will be reclassified into earnings over the depreciable lives of these vessels under construction, which are financed by loans for which their interest rates have been hedged by our interest rate swap contracts.

Adjusted EBITDA
Adjusted EBITDA increased by $11.9 million, or 23.1%, to $63.4 million in the three months ended September 30, 2010, from $51.5 million in the three months ended September 30, 2009, adjusted for non-cash changes in fair value of derivatives of $12.4 million loss in the three months ended

September 30, 2010 compared to $0.4 million gain in the three months ended September 30, 2009, realized loss on derivatives of $23.4 million in the three months ended September 30, 2010 compared to $8.5 million in the three months ended September 30, 2009, as well as a gain of $12.6 million in relation to an agreement entered into with the charterer of the three newbuildings cancelled in consideration for the termination of the respective charter parties and an expense of $3.7 million of fees related to our Comprehensive Financing Plan recorded in the three months ended September 30, 2010. Table reconciling Adjusted EBITDA to Net Income/(Loss) can be found at the end of this earnings release.

Nine months ended September 30, 2010 compared to the nine months ended September 30, 2009

During the nine months ended September 30, 2010, Danaos had an average of 44.3 containerships compared to 40.0 containerships for the same period of 2009. During the first nine months of 2010, we took delivery of eight vessels, the CMA CGM Musset on March 12, 2010, the CMA CGM Nerval on May 17, 2010, the YM Mandate on May 19, 2010, the Hanjin Buenos Aires on May 27, 2010, the CMA CGM Rabelais on July 2, 2010, the Hanjin Santos on July 6, 2010, the CMA CGM Racine on August 16, 2010 and the YM Maturity on August 18, 2010 and we sold the MSC Eagle on January 22, 2010, a vessel over 30 years old. Our fleet utilization was 98.2% in the nine months ended September 30, 2010.

Our adjusted net income was $24.4 million, or $0.38 per share, for the nine months ended September 30, 2010 compared to $50.8 million, or $0.93 per share, for the nine months ended September 30, 2009, adjusted for non-cash changes in fair value of derivatives of a $57.1 million loss recorded in the nine months ended September 30, 2010 compared to a $1.4 million gain recorded in the nine months ended September 30, 2009, as well as an impairment loss of $71.5 million in relation to the cancellation of three 6,500 TEU newbuilding containerships, a gain of $12.6 million in relation to an agreement entered into with the charterer of the three newbuildings cancelled in consideration for the termination of the respective charter parties, an expense of $3.7 million for fees related to our Comprehensive Financing Plan and a gain on sale of vessels of $1.9 million recorded in the nine months ended September 30, 2010. Adjusted net income for the nine months ended September 30, 2010 decreased by 52.0%, or $26.4 million compared to the nine months ended September 30, 2009. This decrease is mainly attributable to an increase in the realized loss on our interest rate swap contracts recorded in our Statement of Income during the nine months ended September 30, 2010 compared to the same period of 2009, which was partially offset by increased Income from Operations. On a non-adjusted basis, our net loss was $93.5 million, or a loss of $1.45 per share, for the nine months ended September 30, 2010, compared to net income of $52.3 million, or $0.96 per share, for the nine months ended September 30, 2009. Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

Operating Revenue

Operating revenue increased 10.7%, or $25.0 million, to $259.2 million in the nine months ended September 30, 2010 from $234.2 million in the nine months ended September 30, 2009. The increase was primarily attributed to the addition to our fleet of eight vessels, as follows:

Vessel Name	Vessel Size (TEU)	Date Delivered
CMA CGM Musset	6,500	March 12, 2010
CMA CGM Nerval	6,500	May 17, 2010
YM Mandate	6,500	May 19, 2010
Hanjin Buenos Aires	3,400	May 27, 2010
CMA CGM Rabelais	6,500	July 2, 2010
Hanjin Santos	3,400	July 6, 2010
CMA CGM Racine	6,500	August 16, 2010
YM Maturity	6,500	August 18, 2010

These additions to our fleet contributed revenues of $25.6 million during the nine months ended September 30, 2010. Moreover, two 4,253 TEU containerships, the Zim Dalian and the Zim Luanda, which were added to our fleet on March 31, 2009 and June 26, 2009, as well as a 6,500 TEU containership, the CMA CGM Moliere, which was added to our fleet on September 28, 2009, contributed incremental revenues of $15.9 million during the nine months ended September 30, 2010 compared to the same period in 2009. These revenues were offset in part by the sale of one 1,704 TEU containership, the MSC Eagle, on January 22, 2010, that contributed revenues of $2.9 million for the nine months ended September 30, 2009 compared to revenues of $0.1 million in the nine months ended September 30, 2010.

We also had a further decrease in revenues of $13.7 million during the nine months ended September 30, 2010, mainly attributable to re-chartering of vessels at reduced charter hire, as well as reduced charter hire, in relation to vessels laid up by our charterer, representing operating expenses not being incurred during the lay-up period.

Vessel Operating Expenses

Vessel operating expenses decreased 11.6%, or $8.0 million, to $61.0 million in the nine months ended September 30, 2010, from $69.0 million in the nine months ended September 30, 2009. The reduction is mainly attributed to reduced costs of certain vessels which were on charterers' directed lay-up for 1,219 days in the aggregate during the first nine months of 2010 compared to 25 days in the same period of 2009. Although the average number of vessels in our fleet under time charter increased during the nine months ended September 30, 2010 compared to the same period of 2009, the average daily operating cost per vessel was reduced to $5,712 for the nine months ended September 30, 2010, from $6,326 for the nine months ended September 30, 2009 (excluding those vessels on lay-up).

Depreciation & Amortization

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

Depreciation

Depreciation expense increased 22.6%, or $10.1 million, to $54.8 million in the nine months ended September 30, 2010, from $44.7 million in the nine months ended September 30, 2009. The increase in depreciation expense was due to the increased average number of vessels in our fleet during the nine months ended September 30, 2010, compared to the same period of 2009.

Amortization of Deferred Dry-docking and Special Survey Costs

Amortization of deferred dry-docking and special survey costs decreased 1.6%, or $0.1 million, to $6.2 million in the nine months ended September 30, 2010, from $6.3 million in the nine months ended September 30, 2009. The decrease reflects reduced drydocking costs amortized during the nine months ended September 30, 2010 compared to the same period of 2009.

Impairment Loss

On March 31, 2010, we expected to enter into an agreement with Hanjin Heavy Industries & Construction Co. Ltd. to cancel three 6,500 TEU newbuilding containerships, the HN N-216, the HN N-217 and the HN N-218, initially expected to be delivered in the first half of 2012, and recorded impairment loss of $71.5 million, which consisted of cash advances of $64.35 million paid to the shipyard and $7.16 million of interest capitalized and other predelivery capital expenditures paid in relation to the construction of the respective newbuildings. On May 25, 2010, we signed the cancellation agreement.

General and Administrative Expenses

General and administrative expenses increased 57.7%, or $6.0 million, to $16.4 million in the nine months ended September 30, 2010, from $10.4 million in the same period of 2009. The increase was mainly the result of increased legal and advisory fees of $4.1 million (mainly attributed to fees related to preparing and structuring the Comprehensive Financing Plan) and increased fees of $1.8 million to our Manager in the nine months ended September 30, 2010 compared to the same period of 2009, due to the increase in the average number of our vessels in our fleet and an increase in the per day fee payable to our Manager since January 1, 2010.

Sale of vessels

On January 22, 2010, we sold and delivered the MSC Eagle. The sale consideration was $4.6 million. We realized a net gain on this sale of $1.9 million. The MSC Eagle was over 30-years old and was generating revenue under its time charter, which expired in January 2010.

Other Operating Expenses

Other Operating Expenses includes Voyage Expenses.

Voyage Expenses

Voyage expenses decreased 11.1%, or $0.6 million, to $4.8 million in the nine months ended September 30, 2010, from $5.4 million for the nine months ended September 30, 2009. The decrease was mainly a result of bunker costs recorded in the nine months ended September 30, 2009, attributed to the repositioning of two of our vessels in 2009. Our vessels are not otherwise subject to fuel costs, which are paid by our charterers.

Interest Expense and Interest Income

Interest expense increased 12.3%, or $3.3 million, to $30.2 million in the nine months ended September 30, 2010, from $26.9 million in the nine months ended September 30, 2009. The change in interest expense was partially due to the increase in our average debt by $157.1 million to $2,355.1 million in the nine months ended September 30, 2010, from $2,198.0 million in the nine months ended September 30, 2009, as well as increased margins over LIBOR following our agreements in connection with covenant waivers obtained during 2009, which was partially offset by the decrease of LIBOR payable under our credit facilities in the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009. In addition, the delivery of newbuilt vessels has resulted in reduced interest capitalized by $5.6 million, rather than such interest being recognized as an expense, to $19.6 million in the nine months ended September 30, 2010, from $25.2 million in the nine months ended September 30, 2009.

Interest income decreased by $1.4 million, to $0.7 million in the nine months ended September 30, 2010, from $2.1 million in the nine months ended September 30, 2009. The decrease in interest income is attributable to lower average cash balances, as well as reduced interest rates to which our cash balances were subject during the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009.

Other income/(expenses), net

Other income/(expenses), net, improved by $13.6 million, to an income of $12.7 million in the nine months ended September 30, 2010, from an expense of $0.9 million in the same period of 2009. The improvement is mainly attributable to an amount of $12.6 million in relation to an agreement entered into with the charterer of the three newbuildings cancelled on May 25, 2010 in consideration for the termination of the respective charter parties, recorded during the nine months ended September 30, 2010, as well as foreign exchange difference of $1.4 million loss recorded during the nine months ended September 30, 2009.

Other finance costs, net

Other finance cost, net, increased by $3.3 million, to $4.8 million in the nine months ended September 30, 2010, from $1.5 million in the nine months ended September 30, 2009. The increase was mainly the result of fees related to the Comprehensive Financing Plan of the Company of $3.1 million, which were recorded during the nine months ended September 30, 2010.

Loss on fair value of derivatives

Loss on fair value of derivatives, increased by $99.1 million, to a loss of $118.1 million in the nine months ended September 30, 2010, from a loss of $19.0 million in the same period of 2009. The increase is mainly attributable to non-cash changes in fair value of interest rate swaps of $52.9 million loss recorded in our Statement of Income in the nine months ended September 30, 2010, due to hedge accounting ineffectiveness and changes in forecasted debt, compared to $1.4 million gain in the nine months ended September 30, 2009, as well as a non-cash loss of $4.2 million in relation to deferred realized loss of cash flow hedges for the HN N-216, the HN N-217 and the HN N-218 following their cancellation reclassified from “Accumulated other comprehensive loss” in the consolidated balance sheet to condensed consolidated statement of income in the nine months ended September 30, 2010. Furthermore, the increased loss on fair value of derivatives is attributable to realized loss on interest rate swap hedges of $61.0 million recorded in our Statement of Income during the nine months ended September 30, 2010, due to higher average notional amount of swaps and reduced LIBOR payable on our credit facilities against LIBOR fixed through such swaps, compared to $20.4 million loss in the nine months ended September 30, 2009.

In addition, realized losses on cash flow hedges of $29.8 million and $25.1 million in the nine months ended September 30, 2010 and 2009, respectively, were deferred in "Accumulated Other Comprehensive Loss", rather than such realized losses being recognized as expenses, and will be reclassified into earnings over the depreciable lives of these vessels under construction, which are financed by loans for which their interest rates have been hedged by our interest rate swap contracts.

Adjusted EBITDA

Adjusted EBITDA increased by $28.9 million, or 19.5%, to $176.9 million in the nine months ended September 30, 2010, from $148.0 million in the nine months ended September 30, 2009, adjusted for a gain of $12.6 million in relation to an agreement entered into with the charterer of the three newbuildings cancelled in consideration for the termination of the respective charter parties, an expense of $3.7 million of fees related to our Comprehensive Financing Plan, a gain on sale of vessel of $1.9 million, impairment loss of $71.5 million, non-cash changes in fair value of derivatives of $57.1 million loss recorded in the nine months ended September 30, 2010 compared to $1.4 million gain recorded in the nine months ended September 30, 2009 and realized loss on derivatives of $61.0 million recorded in the nine months ended September 30, 2010 compared to $20.4 million recorded in the nine months ended September 30, 2009. Table reconciling Adjusted EBITDA to Net Income/(Loss) can be found at the end of this earnings release.

Recent News

On October 11, 2010, the Company took delivery of the newbuilding 3,400 TEU vessel, the Hanjin Versailles. The vessel has been deployed on a 10-year time charter with one of the world's major liner companies.

Our Comprehensive Financing Plan, which includes the arrangements with our existing lenders for which we have entered into a commitment letter, the Vendor financing we have entered into, as well as Citi-CEXIM credit facility we have agreed in principle, provides a funding solution for all of our newbuildings, waives existing credit facility breaches and amends covenant levels, effective following definitive documentation. During this transition period, prior to entering into definitive documentation for these arrangements, we have elected not to secure waivers from our banks, which would amend or waive breaches of our financial covenants in our credit facilities covering a prospective period of at least 12 months, and thus we continue to classify all of our long-term debt as current according to the US GAAP accounting policies.

Conference Call and Webcast

On Tuesday, November 9, 2010 at 10:00 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 November 16, 2010 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).

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 50 containerships aggregating 219,929 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. Furthermore, the company has a contracted fleet of 15 additional containerships aggregating 142,750 TEU with scheduled deliveries up to the second quarter of 2012. The company's shares trade on the New York Stock Exchange under the symbol "DAC".

Forward-Looking Statements

Matters discussed in this release may constitute forward-looking statements within the meaning of the safeharbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements reflect our current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although Danaos Corporation believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, Danaos Corporation cannot assure you that it will achieve or accomplish these expectations, beliefs or projections. Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including changes in charter hire rates and vessel values, charter counterparty performance, shipyard 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 138 off-hire days in total in the third quarter of 2010. The following table summarizes vessel utilization and the impact of the off-hire days on the company's revenue relating to the last four quarters.

Vessel Utilization (No. of Days)	Fourth Quarter 2009	First Quarter 2010	Second Quarter 2010	Third Quarter 2010	Total
Ownership Days	3,864	3,732	3,945	4,408	**15,949**
Less Off-hire Days:					
Scheduled Off-hire Days	(1)	(12)	—	(138)	**(151)**
Other Off-hire Days	(7)	(1)	(64)	—	**(72)**
Operating Days	**3,856**	**3,719**	**3,881**	**4,270**	**15,726**
Vessel Utilization	**99.8%**	**99.7%**	**98.4%**	**96.9%**	**98.6%**

Revenue - Impact of Off-hire (in '000s of US Dollars)	Fourth Quarter 2009	First Quarter 2010	Second Quarter 2010	Third Quarter 2010	Total
100% Fleet Utilization	$85,532	$80,002	$86,009	$94,758	**$346,301**
Less Off-hire Days:					
Scheduled Off-hire Days	(42)	(328)	—	(171)	**(541)**
Other Off-hire Days	(151)	(15)	(1,063)	—	**(1,229)**
Actual Revenue Earned	**$85,339**	**$79,659**	**$84,946**	**$94,587**	**$344,531**

Fleet List

The following table describes in detail our fleet deployment profile as of November 8, 2010.

Vessel Name	Vessel Size (TEU)	Year Built	Expiration of Charter[1]
Containerships			
CSCL Le Havre	9,580	2006	September 2018
CSCL Pusan	9,580	2006	July 2018
CSCL America[2]	8,468	2004	September 2016
CSCL Europe	8,468	2004	June 2016
CMA CGM Moliere[3]	6,500	2009	August 2021
CMA CGM Musset[3]	6,500	2010	February 2022
CMA CGM Nerval[3]	6,500	2010	April 2022
CMA CGM Rabelais[3]	6,500	2010	June 2022
YM Mandate	6,500	2010	January 2028
CMA CGM Racine[3]	6,500	2010	July 2022
YM Maturity	6,500	2010	April 2028
Marathonas [4]	4,814	1991	September 2011
Maersk Messologi	4,814	1991	September 2011
Maersk Mytilini	4,814	1991	September 2011
Hyundai Commodore [5]	4,651	1992	March 2011
Hyundai Duke	4,651	1992	February 2011
Hyundai Federal [6]	4,651	1994	September 2012
YM 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
Bunga Raya Tiga [7]	4,253	2004	March 2011
Deva [8]	4,253	2004	February 2011
ZIM Rio Grande	4,253	2008	May 2020
ZIM Sao Paolo	4,253	2008	August 2020
ZIM Kingston	4,253	2008	September 2020
ZIM Monaco	4,253	2009	November 2020
ZIM Dalian	4,253	2009	February 2021
ZIM Luanda	4,253	2009	May 2021
Al Rayyan	3,908	1989	January 2011
YM Yantian	3,908	1989	July 2011
Hanjin Buenos Aires	3,400	2010	March 2020
Hanjin Santos	3,400	2010	May 2020
Hanjin Versailles	3,400	2010	August 2020
SCI Pride[9]	3,129	1988	July 2012
CMA CGM Lotus	3,098	1988	June 2011
Independence[10]	3,045	1986	October 2011
Henry[11]	3,039	1986	July 2011
Jiangsu Dragon [12]	2,917	1991	June 2011
California Dragon[13]	2,917	1991	June 2011
Shenzhen Dragon [14]	2,917	1991	June 2011
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
Hanjin Montreal [15]	2,130	1984	November 2010

(1) Earliest date charters could expire. Some charters include options to extend their term.
(2) On August 21, 2009, the *MSC Baltic* was renamed to *CSCL America* at the request of the charterer of this vessel.
(3) Vessel subject to charterer's option to purchase vessel after first eight years of time charter term for $78.0 million.
(4) On January 21, 2010, the *MSC Marathon* was renamed to *Marathonas* at the request of the charterer of this vessel.
(5) On April 2, 2009, the *MOL Affinity* was renamed to *Hyundai Commodore* at the request of the charterer of this vessel.
(6) On May 12, 2009, the *APL Confidence* was renamed to *Hyundai Federal* at the request of the charterer of this vessel.
(7) On April 29, 2009, the *Derby* was renamed to *Bunga Raya Tiga* at the request of the charterer of this vessel.
(8) On October 7, 2010, the *Bunga Raya Tujuh* was renamed to *Deva* at the request of the charterer of this vessel.
(9) On August 18, 2010, the *YM Milano* was renamed to *SCI Pride* at the request of the charterer of this vessel.
(10) On October 18, 2010, the *CMA CGM Vanille* was renamed to *Independence* at the request of the charterer of this vessel
(11) On May 13, 2010, the *CMA CGM Passiflore* was renamed to *Henry* at the request of the charterer of this vessel.
(12) On July 7, 2010, the *CMA CGM Elbe* was renamed to *Jiangsu Dragon* at the request of the charterer of this vessel.
(13) On July 20, 2010, the *CMA CGM Kalamata* was renamed to *California Dragon* at the request of the charterer of this vessel.
(14) On June 26, 2010, the *CMA CGM Komodo* was renamed to *Shenzhen Dragon* at the request of the charterer of this vessel.
(15) On May 14, 2009, the *Montreal Senator* was renamed to *Hanjin Montreal* at the request of the charterer of this vessel.

New Deliveries

The following table describes the expected additions to our fleet as a result of our new building containership program.

Vessel Name	Vessel Size (TEU)	Expected Delivery(*)	Charter Term
HN N-222	3,400	4th Quarter 2010	10 years
HN N-223	3,400	1st Quarter 2011	10 years
HN Z00001	8,530	1st Quarter 2011	12 years
Hull No S-461	10,100	1st Quarter 2011	12 years
Hull No S-462	10,100	1st Quarter 2011	12 years
HN Z00002	8,530	2nd Quarter 2011	12 years
HN Z00003	8,530	2nd Quarter 2011	12 years
HN Z00004	8,530	2nd Quarter 2011	12 years
Hull No S-463	10,100	2nd Quarter 2011	12 years
HN H 1022A	8,530	3rd Quarter 2011	12 years
Hull No S-456	12,600	1st Quarter 2012	12 years
Hull No S-457	12,600	1st Quarter 2012	12 years
Hull No S-458	12,600	2nd Quarter 2012	12 years
Hull No S-459	12,600	2nd Quarter 2012	12 years
Hull No S-460	12,600	2nd Quarter 2012	12 years

(*) Delivery date represents most recent update regarding respective event, which in certain cases may change significantly as a result of further negotiations with shipyards.

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

	Three months ended September 30, 2010	Three months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
		(Unaudited)		
OPERATING REVENUES	**$94,587**	**$79,792**	**$259,192**	**$234,172**
OPERATING EXPENSES				
Vessel operating expenses	(24,744)	(23,109)	(61,049)	(68,986)
Depreciation & amortization	(23,730)	(17,691)	(60,986)	(50,917)
General & administrative	(5,294)	(3,767)	(16,393)	(10,355)
Gain on sale of vessels	—	—	1,916	—
Impairment loss	—	—	(71,509)	—
Other operating expenses	(1,522)	(1,562)	(4,829)	(5,413)
Income From Operations	**39,297**	**33,663**	**46,342**	**98,501**
OTHER EARNINGS (EXPENSES)				
Interest income	221	368	692	2,073
Interest expense	(11,613)	(9,299)	(30,162)	(26,863)
Other finance cost, net	(3,728)	(318)	(4,821)	(1,535)
Other income/(expenses), net	12,579	123	12,653	(936)
Loss on fair value of derivatives	(35,778)	(8,165)	(118,156)	(18,969)
Total Other Income (Expenses), net	**(38,319)**	**(17,291)**	**(139,794)**	**(46,230)**
Net Income/(Loss)	**$978**	**$16,372**	**$(93,452)**	**$52,271**
Earnings per Share				
Basic and diluted net income/(loss) per share	$0.01	$0.30	$(1.45)	$0.96
Basic and diluted weighted average number of common shares (in thousands of shares)	83,346	54,551	64,256	54,549

Non-GAAP Measure*
Reconciliation of Net Income/(Loss) to Adjusted Net Income - Unaudited

	Three months ended September 30, 2010	Three months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
Net Income/(Loss)	**$978**	**$16,372**	**$(93,452)**	**$52,271**
Loss in fair value of derivatives	35,778	8,165	118,156	18,969
Realized loss on derivatives	(23,379)	(8,525)	(61,025)	(20,413)
Impairment loss	—	—	71,509	—
Gain on contract termination	(12,600)	—	(12,600)	—
Comprehensive Financing Plan related fees	3,733	—	3,733	—
Gain on sale of vessels	—	—	(1,916)	—
Adjusted Net Income	**$4,510**	**$16,012**	**$24,405**	**$50,827**
Adjusted Earnings Per Share	**$0.05**	**$0.29**	**$0.38**	**$0.93**
Weighted average number of shares	83,346	54,551	64,256	54,549

* 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 Table above for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three and nine months ended September 30, 2010 and 2009. 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
Balance Sheets
(Expressed in thousands of United States dollars)

	As of September 30, 2010 (Unaudited)	As of December 31, 2009 (Unaudited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$288,640	$122,050
Restricted cash, current portion	13,715	154,078
Accounts receivable, net	4,219	3,732
Other current assets	23,505	20,644
	330,079	300,504
NON-CURRENT ASSETS		
Fixed assets, net	2,236,840	1,573,759
Advances for vessels under construction	916,638	1,194,088
Restricted cash, net of current portion	—	44,393
Deferred charges, net	20,592	20,583
Fair value of financial instruments	5,733	3,762
Other non-current assets	12,719	5,622
	3,192,522	2,842,207
TOTAL ASSETS	**3,522,601**	**3,142,711**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Long-term debt, current portion	2,522,588	2,331,678
Accounts payable, accrued liabilities & other current liabilities	140,513	86,264
Fair value of financial instruments, current portion	126,696	100,065
	2,789,797	2,518,007
LONG-TERM LIABILITIES		
Fair value of financial instruments, net of current portion	405,781	213,493
Other long-term liabilities	4,524	5,620
	410,305	219,113
STOCKHOLDERS' EQUITY		
Common stock	1,086	546
Additional paid-in capital	488,048	288,613
Treasury stock	(4)	(39)
Accumulated other comprehensive loss	(513,743)	(324,093)
Retained earnings	347,112	440,564
	322,499	405,591
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$3,522,601**	**$3,142,711**

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

	Three months ended September 30, 2010	Three months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
Operating Activities:				
Net income/(loss)	$978	$16,372	$(93,452)	$52,271
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	20,989	15,522	54,794	44,654
Impairment loss	—	—	71,509	—
Amortization of deferred charges	3,083	2,460	7,194	6,859
Written off amount of deferred charges	1,084	—	1,084	412
Stock based compensation	25	7	60	39
Payments for drydocking/special survey	(2,293)	(1,322)	(2,551)	(7,075)
Change in fair value of financial instruments	4,377	(10,653)	27,298	(26,501)
Gain on sale of vessels	—	—	(1,916)	—
Accounts receivable	103	(1,241)	(487)	(1,576)
Other assets, current and non-current	(5,882)	(29)	(9,958)	4,411
Accounts payable and accrued liabilities	4,707	(2,472)	8,943	5,104
Other liabilities, current and non-current	2,608	(1,421)	2,323	(1,749)
Net Cash provided by Operating Activities	**29,779**	**17,223**	**64,841**	**76,849**
Investing Activities:				
Vessel acquisitions including advances	—	(50)	—	(287)
Vessels under construction	(190,520)	(111,470)	(469,806)	(318,240)
Proceeds from sale of vessels	—	—	1,764	—
Net Cash used in Investing Activities	**(190,520)**	**(111,520)**	**(468,042)**	**(318,527)**
Financing Activities:				
Debt draw downs	170,430	57,600	395,819	238,843
Debt repayment	(8,217)	(9,217)	(204,909)	(25,327)
Issuance of common stock	200,000	—	200,000	—
Treasury stock	—	—	(50)	—
Deferred costs	(5,825)	(3,138)	(5,825)	(6,809)
Decrease in restricted cash	10,379	17,704	184,756	39,624
Net Cash provided by Financing Activities	**366,767**	**62,949**	**569,791**	**246,331**
Net increase/(decrease) in cash and cash equivalents	206,026	(31,348)	166,590	4,653
Cash and cash equivalents, beginning of period	82,614	156,721	122,050	120,720
Cash and cash equivalents, end of period	**$288,640**	**$125,373**	**$288,640**	**$125,373**

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

	Three months ended September 30, 2010	Three months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
		(Unaudited)		
Net income/(loss)	$978	$16,372	$(93,452)	52,271
Depreciation	20,989	15,522	54,794	44,654
Amortization of deferred drydocking & special survey costs	2,741	2,169	6,192	6,263
Amortization of deferred finance costs and write offs	342	291	1,002	1,008
Interest income	(221)	(368)	(692)	(2,073)
Interest expense	11,613	9,299	30,162	26,863
Impairment loss	—	—	71,509	—
Gain on sale of vessels	—	—	(1,916)	—
Gain on contract termination(2)	(12,600)	—	(12,600)	—
Comprehensive Financing Plan related fees(3)	3,733	—	3,733	—
Realized loss on derivatives	23,379	8,525	61,025	20,413
Non-cash changes in fair value of derivatives	12,399	(360)	57,131	(1,444)
Adjusted EBITDA(4)	**$63,353**	**$51,450**	**176,888**	**147,955**

(2) Consideration of $12.6 million received by the charterer of the three newbuildings cancelled on May 25, 2010 in relation to the termination of the respective charter parties.

(3) Fees related to our Comprehensive Financing Plan, of which $3.1 million relate to bank fees and were recorded in Other finance costs and $0.6 million relate to legal fees and were recorded in General and administrative expenses.

(4) Adjusted EBITDA represents net income/(loss) before interest income and expense, depreciation, amortization of deferred drydocking & special survey costs and deferred finance costs, impairment loss, gain/(loss) on sale of vessels, non-cash changes in fair value of derivatives, realized gain/(loss) on derivatives, gain on contract termination and other items in relation to the Company's Comprehensive Financing Plan. However, Adjusted EBITDA is not a recognized measurement under U.S. generally accepted accounting principles, or "GAAP." We believe that the presentation of Adjusted EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. We also believe that Adjusted EBITDA is useful in evaluating our ability to service additional debt and make capital expenditures. In addition, we believe that Adjusted EBITDA is useful in evaluating our operating performance and liquidity position compared to that of other companies in our industry because the calculation of Adjusted EBITDA generally eliminates the effects of financings, income taxes and the accounting effects of capital expenditures and acquisitions, items which may vary for different companies for reasons unrelated to overall operating performance and liquidity. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

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

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that certain non-GAAP financial measures used in managing the business may provide users of these financial information additional meaningful comparisons between current results and results in prior operating periods. Management believes that these non-GAAP financial measures can provide additional meaningful reflection of underlying trends of the business because they provide a comparison of historical information that excludes certain items that impact the overall comparability. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. See the Tables above for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three and nine months ended September 30, 2010 and 2009. 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.