

**Danaos Corporation Reports First Quarter Results for the Period Ended March 31, 2009.**

**Athens, Greece, April 28, 2009** – Danaos Corporation (“Danaos”) (NYSE: DAC), a leading international owner of containerships, today reported unaudited results for the period ended March 31, 2009.

**Highlights for the First Quarter Ended March 31, 2009:**

- **Net earnings on a comparable basis of \$20.0 million or \$0.37 per share for the quarter ended March 31, 2009 compared to \$25.9 million or \$0.48 per share for the respective period of 2008, adjusted for a gain on sale of vessels of \$5.6 million recorded during the first quarter of 2008.**
- **Operating revenues of \$75.3 million for the quarter ended March 31, 2009 compared to \$69.9 million for the respective period of 2008.**
- **EBITDA on a comparable basis of \$47.9 million for the quarter ended March 31, 2009 compared to \$45.6 million for the respective period of 2008, adjusted for a gain on sale of vessels of \$5.6 million recorded during the first quarter of 2008.**

**Danaos’ CEO Dr. John Coustas commented:**

In the first quarter of 2009, we achieved solid earnings despite the overall market disruption. We report net earnings of \$20.0 million or \$0.37 per share, which I believe it is a performance highly satisfactory considering the overall state of the world economy and the shipping markets in particular. We have managed to increase our revenues to \$75.3 million, up from \$69.9 million in the first quarter of 2008 as a direct result of the continuing successful expansion of our fleet and have kept the utilization rate of our fleet at the usual high levels of the past years. I am also very pleased to report that we have been able to keep the daily operating cost of our fleet under time charters unchanged as compared to that a year ago.

In this last quarter alone, we took delivery of two vessels which have already commenced their twelve-year charter with one of the largest liners in the world. The Zim Monaco and the Zim Dalian are two modern 4,253 TEU ships which were constructed and delivered to Danaos in time and according to schedule by Samsung Heavy Industries. We consequently have 29 vessels on order, all of which are chartered at reasonable charter rates with some of the largest liner companies in the world.

We wish to reiterate that our vessels both operating and those under construction are under long time charters with some of the largest counterparties in the shipping industry. Although the current economic conditions are presenting everybody in our trade with new challenges, our chartering arrangements do not allow for unilateral modification of the prevailing terms.

World trade has shown traces of stabilization particularly as we got closer to the end of March, while this has been more visible through April. A number of vessels in the world containership fleet which were idle throughout the previous period were called once again back in duty pointing to such stabilization and even a route specific recovery, which however remains to be tested against time.

We are also in the position to report more solid information regarding rearrangements of ship deliveries. We have come to an agreement with China Shipbuilding Trading Company to delay the delivery date of the five 8,530 TEU containerships under construction by two hundred days each on average. In addition, we have come to an agreement with Hanjin Heavy Industries & Construction Company to delay the delivery date of the five 6,500 TEU and the five 3,400 TEU containerships under construction by approximately one quarter each. As of today, we are expecting to take delivery of six vessels during the current year, twelve in 2010 (three of which may be delivered in the following year as their delivery is scheduled for December 2010) and

eleven in 2011. Assuming that the three new-buildings of December 2010 will finally be delivered in 2011, the remaining capital expenditure installments are approximately \$465 million for the remaining of 2009, \$875 million for 2010 and \$785 million for 2011.

During the first months of 2009, we signed a new \$299 million loan facility with Deutsche Schiffsbank. This additional facility, together with the available undrawn capacity under our existing credit facilities and the cash expected to be generated by our operations, is expected to cover our 2009, and a portion of our 2010, funding requirements. We are currently in discussions to arrange additional financing for the unfunded part of our new building fleet and we believe that despite the challenging current credit conditions we should be able to obtain these additional funds in time to meet our commitments, also supported by the fact that all of our new buildings are already chartered for long-term periods. At the same time we are engaged in further negotiations to delay construction payments and subsequent deliveries of certain of our vessels for which we have not so far arranged for specific debt financing, which we will communicate to the market as soon as we have more concrete results.

On our existing debt we have either received waivers or are in discussions with the lead arrangers of such debt to receive waivers covering breaches of financial covenants, principally our loan to value requirements, our required ratio of total liabilities (after deducting cash and cash equivalents) to market value adjusted total assets and our book and market value adjusted net worth requirements. However, certain of these agreements have not yet been reduced to writing and remain subject to the requisite approval of the applicable lending syndicates.

Even more so in these challenging times, our strategy at Danaos is firmly focused in maximizing total returns of shareholders.

### **Three months ended March 31, 2009 compared to the three months ended March 31, 2008**

During the quarter ended March 31, 2009, Danaos had an average of 39.0 containerships as opposed to 36.3 containerships for the same period of 2008. During the first quarter of 2009, we took delivery of two new vessels. Our fleet utilization was 96.3% in the first quarter of 2009.

Our net income on a comparable basis was \$20.0 million or \$0.37 per share for the three months ended March 31, 2009 compared to \$25.9 million or \$0.48 per share for the three months ended March 31, 2008, adjusted for a gain on sale of vessels of \$5.6 million recorded during the first quarter of 2008. This represents a decrease of 22.8% or \$5.9 million, which is mainly attributed to increased interest expense of \$5.4 million resulted from the increase of our average indebtedness during the quarter ended March 31, 2009 compared to the same period of 2008. Furthermore, in the first quarter of 2009 deferred fees of \$0.4 million were written-off. Our net income on a reported basis was \$20.0 million or \$0.37 per share for the three months ended March 31, 2009 compared to \$31.5 million or \$0.58 per share for the three months ended March 31, 2008.

### **Operating Revenue**

Operating revenue increased 7.7%, or \$5.4 million, to \$75.3 million in the quarter ended March 31, 2009, from \$69.9 million in the quarter ended March 31, 2008. The increase was primarily attributable to the addition of five vessels to our fleet, as follows:

Vessel Name	Vessel Size (TEU)	Date Delivered
Zim Rio Grande	4,253	July 4, 2008
Zim Sao Paolo	4,253	September 22, 2008
Zim Kingston	4,253	November 3, 2008
Zim Monaco	4,253	January 2, 2009
Zim Dalian	4,253	March 31, 2009

These additions to our fleet contributed revenues of \$8.2 million during the three months ended March 31, 2009. In addition, three 2,200 TEU containerships, the Hyundai Progress, the Hyundai Highway and the Hyundai Bridge, which were added to our fleet on February 11, 2008, March 18, 2008 and March 20, 2008, respectively, contributed incremental revenues of \$3.1 million during

the three months ended March 31, 2009 compared to the three months ended March 31, 2008. In addition, the Company sold three vessels as follows:

Vessel Name	Vessel Size (TEU)	Date Sold
Maersk Constantia	3,101	May 20, 2008
Asia Express	3,101	October 26, 2008
Sederberg	3,101	December 10, 2008

These vessel sales reduced operating revenue by \$2.9 million for the three months ended March 31, 2009 compared to the contribution by such vessels to operating revenue in the three months ended March 31, 2008. In addition, one 5,506 TEU containership, the APL Belgium and one 3,101 TEU containership, the Winderberg, which were sold on January 15, 2008 and January 25, 2008, respectively, contributed revenues of \$0.3 million for the three months ended March 31, 2008 compared to nil contribution by such vessels in the three months ended March 31, 2009.

We also had a further decrease in revenues of \$2.7 million, mainly attributed to revenue lost due to off-hire days of vessels under drydocking during the three months ended March 31, 2009 compared to the three months ended March 31, 2008.

#### **Vessel Operating Expenses**

Vessel operating expenses increased 11.6%, or \$2.3 million, to \$22.1 million in the quarter ended March 31, 2009, from \$19.8 million in the quarter ended March 31, 2008. The increase was due to the increase in the average number of vessels in our fleet under time charter during the quarter ended March 31, 2009 compared to the quarter ended March 31, 2008.

Furthermore, we have successfully implemented efficient management controls on our operating expenses, resulting in a flat daily operating cost of less than \$6,300 for the vessels of our fleet under time charter during the three months ended March 31, 2009 compared to the three months ended March 31, 2008.

#### **Depreciation & Amortization**

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

##### *Depreciation*

Depreciation expense increased 20.3%, or \$2.4 million, to \$14.2 million in the quarter ended March 31, 2009, from \$11.8 million in the quarter ended March 31, 2008. The increase in depreciation expense was due to the increased average number of vessels in our fleet during the quarter ended March 31, 2009 compared to the same period of 2008.

##### *Amortization of Deferred Dry-docking and Special Survey Costs*

Amortization of deferred dry-docking and special survey costs increased 18.8%, or \$0.3 million, to \$1.9 million in the quarter ended March 31, 2009, from \$1.6 million in the quarter ended March 31, 2008. The increase reflects higher drydocking costs incurred, which were subject to amortization during the three months ended March 31, 2009 as compared to the same period of 2008.

#### **General and Administrative Expenses**

General and administrative expenses increased 10.7%, or \$0.3 million, to \$3.1 million in the quarter ended March 31, 2009, from \$2.8 million in the same quarter of 2008. The increase was primarily a result of increased fees of \$0.4 million paid to our Manager in the first quarter of 2009 compared to the same period of 2008 due to the increase in the average number of our vessels in our fleet and an increase of the fees paid to our manager.

On February 12, 2009, the Company signed an addendum to the management contract amending the management fees to a fee of \$575 per day (from \$500 per day), a fee of \$290 per vessel per day (from \$250 per vessel per day) for vessels on bareboat charter, a fee of \$575 per vessel per day (from \$500 per vessel per day) for vessels on time charter and a flat fee of \$725,000 per newbuilding vessel (from \$400,000 per newbuilding vessel) for the supervision of newbuilding contracts. All commissions to Manager remained unchanged.

**Other Operating Expenses**

Other Operating Expenses include Voyage Expenses

*Voyage Expenses*

Voyage expenses increased 25.0% or \$0.4 million, to \$2.0 million in the quarter ended March 31, 2009, from \$1.6 million for the quarter ended March 31, 2008. The increase was the result of increased bunker costs of \$0.4 million, attributed to five of our vessels for which drydocking was performed during the first quarter of 2009. Our vessels are not otherwise subject to fuel costs, which are paid by our charterers.

**Interest Expense and Interest Income**

Interest expense increased 74.0%, or \$5.4 million, to \$12.7 million in the quarter ended March 31, 2009, from \$7.3 million in the quarter ended March 31, 2008. The change in interest expense was due to the increase in our average debt by \$748.9 million to \$2,101.7 million in the quarter ended March 31, 2009, from \$1,352.8 million in the quarter ended March 31, 2008. The financing of our extensive new-building program resulted in interest capitalization, rather than such interest being recognized as an expense, of \$7.2 million for the quarter ended March 31, 2009 compared to \$10.2 million of capitalized interest for the quarter ended March 31, 2008.

Interest income decreased by \$0.1 million, to \$1.0 million in the quarter ended March 31, 2009, from \$1.1 million in the quarter ended March 31, 2008. The decrease in interest income is attributed to lower interest rates during the three months ended March 31, 2009 as opposed to the three months ended March 31, 2008.

Restricted cash is attributed to cash raised through our revolving credit facilities designated to finance certain of our new buildings and is gradually utilized to fund progress payments of these new buildings up to their deliveries through the third quarter of 2011.

**Other income/(expenses), net**

Other income/(expenses), net, decreased by \$0.1 million, to \$(0.4) million in the quarter ended March 31, 2009, from \$(0.3) million in the same quarter of 2008.

**EBITDA**

EBITDA on a comparable basis increased by \$2.3 million, or 5.0%, to \$47.9 million in the quarter ended March 31, 2009, from \$45.6 million in the quarter ended March 31, 2008, adjusted for a gain on sale of vessels of \$5.6 million recorded during the first quarter of 2008. EBITDA on a reported basis decreased by \$3.3 million, or 6.4%, to \$47.9 million in the quarter ended March 31, 2009, from \$51.2 million in the quarter ended March 31, 2008. A table reconciling EBITDA to net income can be found at the end of this earnings release.

**Recent News**

Based on the unaudited financial statements for the year ended December 31, 2008 and valuations of our fleet as of December 2008 that we received from two independent ship brokers, we determined that we were in breach of covenants, principally our loan to value requirements, our required ratio of total liabilities (after deducting cash and cash equivalents) to market value adjusted total assets and our book and market value adjusted net worth requirements under certain of our credit facilities. Substantially all of our long-term debt continues to be classified as non-current as of December 31, 2008 and March 31, 2009, because our debt covenant violations as of December 31, 2008 have been (or are expected to be) waived by our lenders and the relevant covenants have been (or are expected to be) amended to levels that we expect to be able to comply within future periods. To the extent that we are unable to finalize formalization of these waivers and amendments prior to the issuance of our audited 2008 financial statements, any long-term debt for which we have been unable to secure waivers and, where applicable, amended covenants, will be required to be classified as current, reflecting our lenders' ability to call that debt at any time at their option.

We have come to an agreement with China Shipbuilding Trading Company to delay the delivery date of the five 8,530 TEU containerships under construction by two hundred days each on average. In addition, we have come to an agreement with Hanjin Heavy Industries & Construction Company to delay the delivery date of the five 6,500 TEU and the five 3,400 TEU containerships

under construction by approximately one quarter each. As of today we are expecting to take delivery of six vessels during the current year, twelve in 2010 (three of which may be delivered in the following year as their delivery is scheduled for December 2010) and eleven in 2011. Assuming that the three newbuildings of December 2010 will finally be delivered in 2011, the remaining capital expenditure installments are approximately \$465 million for the remaining of 2009, \$875 million for 2010 and \$785 million for 2011. Each of our newbuilding vessels, including those with delayed deliveries, have long-term time charters arranged at reasonable rates with leading liner companies.

#### **Conference Call and Webcast**

On Wednesday, April 29, 2009 at 10:00 A.M. EDT, the Company's management will host a conference call to discuss the results. Conference Call details: Participants should dial into the call 10 minutes before the scheduled time using the following numbers: 1 866 819 7111 (US Toll Free Dial In), 0800 953 0329 (UK Toll Free Dial In) or +44 (0)1452 542 301 (Standard International Dial In). Please quote "Danaos" to the operator.

In case of any problems with the above numbers, please dial 1 866 223 0615 (US Toll Free Dial In), 0800 694 1503 (UK Toll Free Dial In) or +44 (0)1452 586 513 (Standard International Dial In). Please quote "Danaos" to the operator. A telephonic replay of the conference call will be available until May 6, 2009 by dialing 1 866 247 4222 (US Toll Free Dial In), 0800 953 1533 (UK Toll Free Dial In) or +44 (0)1452 550 000 (Standard International Dial In). Access Code: 1186615#. Audio webcast: There will also be a live and then archived webcast of the conference call through the Danaos website ([www.danaos.com](http://www.danaos.com)). Participants to the live webcast should register on the website approximately 10 minutes prior to the start of the webcast.

#### **About Danaos Corporation**

Danaos Corporation is an international owner of containerships, chartering its vessels to many of the world's largest liner companies. Our current fleet of 40 containerships aggregating 161,680 TEUs ranks Danaos among the largest containership charter owners in the world based on total TEU capacity. Danaos is the largest US listed containership company based on fleet size. Furthermore, the company has a contracted fleet of 29 additional containerships aggregating 222,203 TEU with scheduled deliveries up to 2011. 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](http://www.danaos.com)

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**Appendix**

**Fleet Utilization**

Danaos had 129 off-hire days in total in the first quarter of 2009. 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.

<b>Vessel Utilization (No. of Days)</b>	<b>Second Quarter 2008</b>	<b>Third Quarter 2008</b>	<b>Fourth Quarter 2008</b>	<b>First Quarter 2009</b>	<b>Total</b>
Ownership Days	3,417	3,502	3,560	3,510	<b>13,989</b>
Less Off-hire Days:					
Scheduled Off-hire Days	(78)	(40)	(29)	(125)	<b>(272)</b>
Other Off-hire Days	—	(2)	(23)	(4)	<b>(29)</b>
<b>Operating Days</b>	<b>3,339</b>	<b>3,460</b>	<b>3,508</b>	<b>3,381</b>	<b>13,688</b>
<b>Vessel Utilization</b>	<b>97.7%</b>	<b>98.8%</b>	<b>98.5%</b>	<b>96.3%</b>	<b>97.8%</b>

<b>Revenue - Impact of Off-hire (in '000s of US Dollars)</b>	<b>Second Quarter 2008</b>	<b>Third Quarter 2008</b>	<b>Fourth Quarter 2008</b>	<b>First Quarter 2009</b>	<b>Total</b>
100% Fleet Utilization	\$ 74,482	\$ 77,303	\$ 79,866	\$ 77,931	<b>\$ 309,582</b>
Less Off-hire Days:					
Scheduled Off-hire Days	(573)	(807)	(563)	(2,512)	<b>(4,455)</b>
Other Off-hire Days	—	(80)	(600)	(167)	<b>(847)</b>
<b>Actual Revenue Earned</b>	<b>\$ 73,909</b>	<b>\$ 76,416</b>	<b>\$ 78,703</b>	<b>\$ 75,252</b>	<b>\$ 304,280</b>

## Fleet List

The following table describes in detail our fleet deployment profile as of April 28, 2009.

<u>Vessel Name</u>	<u>Vessel Size (TEU)</u>	<u>Year Built</u>	<u>Expiration of Charter<sup>(1)</sup></u>
<b>Containerships</b>			
CSCL Le Havre	9,580	2006	September 2018
CSCL Pusan	9,580	2006	July 2018
MSC Baltic	8,468	2004	September 2016
CSCL Europe	8,468	2004	June 2016
MSC Marathon <sup>(2)</sup>	4,814	1991	September 2011
Maersk Messologi	4,814	1991	September 2011
Maersk Mytilini	4,814	1991	September 2011
Hyundai Commodore <sup>(3)</sup>	4,651	1992	March 2011
Hyundai Duke	4,651	1992	February 2011
APL Confidence <sup>(4)</sup>	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
Derby <sup>(5)</sup>	4,253	2004	April 2010
Maersk Deva	4,253	2004	January 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
Al Rayyan	3,908	1989	January 2011
YM Yantian	3,908	1989	July 2011
YM Milano	3,129	1988	May 2011
CMA CGM Lotus	3,098	1988	July 2010
CMA CGM Vanille	3,045	1986	July 2010
CMA CGM Passiflore	3,039	1986	May 2010
CMA CGM Elbe	2,917	1991	June 2010
CMA CGM Kalamata	2,917	1991	June 2010
CMA CGM Komodo	2,917	1991	June 2010
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
Montreal Senator <sup>(6)</sup>	2,130	1984	May 2010
MSC Eagle	1,704	1978	January 2010

- (1) Earliest date charters could expire. Some charters include options to extend their term.  
(2) On August 22, 2008, the *Maersk Marathon* was renamed to *MSC Marathon* at the request of the charterer of this vessel.  
(3) On April 2, 2009, the *MOL Affinity* was renamed to *Hyundai Commodore* at the request of the charterer of this vessel.  
(4) On June 2, 2008, the *MOL Confidence* was renamed to *APL Confidence* at the request of the charterer of this vessel.  
(5) On April 10, 2009, the *Maersk Derby* was renamed to *Derby* at the request of the charterer of this vessel.  
(6) On April 8, 2008, the *Pacific Bridge* was renamed to *Montreal Senator* 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.

<u>Vessel Name</u>	<u>Vessel Size (TEU)</u>	<u>Expected Delivery</u>	<u>Time Charter Term</u>
HN 1699	4,253	June 2009	12 years
HN S4001 <sup>(1)</sup>	6,500	July 2009	12 years
HN S4002 <sup>(1)</sup>	6,500	September 2009	12 years
HN S4003 <sup>(1)</sup>	6,500	October 2009	12 years
HN S4004 <sup>(1)</sup>	6,500	December 2009	12 years
HN N-219	3,400	December 2009	10 years
HN N-214	6,500	January 2010	18 years
HN S4005 <sup>(1)</sup>	6,500	January 2010	12 years
HN N-215	6,500	March 2010	18 years
HN N-220	3,400	April 2010	10 years
HN N-216	6,500	May 2010	15 years
HN N-217	6,500	July 2010	15 years
HN N-221	3,400	July 2010	10 years
HN N-218	6,500	September 2010	15 years
HN N-222	3,400	October 2010	10 years
HN N-223	3,400	December 2010	10 years
Hull No S-461	10,100	December 2010	12 years
Hull No S-456	12,600	December 2010	12 years
Hull No S-462	10,100	February 2011	12 years
HN Z00001	8,530	March 2011	12 years
Hull No S-463	10,100	March 2011	12 years
Hull No S-457	12,600	March 2011	12 years
Hull No S-458	12,600	May 2011	12 years
HN Z00002	8,530	May 2011	12 years
HN Z00003	8,530	June 2011	12 years
HN Z00004	8,530	June 2011	12 years
Hull No S-459	12,600	June 2011	12 years
Hull No S-460	12,600	August 2011	12 years
HN H 1022A	8,530	September 2011	12 years

(1) Vessel subject to charterer's option to purchase vessel after first eight years of time charter term for \$78.0 million.

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

	Three months ended March 31, <u>2009</u>	Three months ended March 31, <u>2008</u>
<b>OPERATING REVENUES</b>	<b>\$75,252</b>	<b>\$69,877</b>
<b>OPERATING EXPENSES</b>		
Vessel operating expenses	(22,063)	(19,810)
Depreciation & amortization	(16,136)	(13,369)
General & administrative	(3,120)	(2,813)
Gain on sale of vessels	—	5,582
Other operating expenses	(2,004)	(1,636)
<b>Income From Operations</b>	<b>31,929</b>	<b>37,831</b>
<b>OTHER EARNINGS (EXPENSES)</b>		
Interest income	986	1,086
Interest expense	(12,708)	(7,340)
Other finance cost, net	(336)	(425)
Other income / (expenses), net	(419)	(293)
Gain on derivatives	593	658
<b>Total Other Income (Expenses), net</b>	<b>(11,884)</b>	<b>(6,314)</b>
<b>Net income from continuing operations</b>	<b>\$20,045</b>	<b>\$31,517</b>
<b>Net (loss) income from discontinued operations</b>	<b>—</b>	<b>5</b>
<b>Net Income</b>	<b>\$20,045</b>	<b>\$31,522</b>
<b>EARNINGS PER SHARE (from continuing operations)</b>		
Basic and diluted net income per share	\$0.37	\$0.58
<b>EARNINGS PER SHARE</b>		
Basic and diluted net income per share	\$0.37	\$0.58
Basic and diluted weighted average number of shares (in thousands of shares)	54,547	54,558

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

	<b>As of March 31, 2009</b>	<b>As of December 31, 2008</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$106,014	\$120,720
Restricted cash, current portion	145,098	190,951
Accounts receivable, net	786	1,119
Other current assets	27,953	23,954
	279,851	336,744
<b>NON-CURRENT ASSETS</b>		
Fixed assets, net	1,456,784	1,339,645
Advances for vessel acquisitions and vessels under construction	1,069,478	1,067,825
Restricted cash, net of current portion	74,473	60,591
Deferred charges, net	19,733	16,098
Fair value of financial instruments	5,911	6,691
Other non-current assets	943	870
	2,627,322	2,491,720
<b>TOTAL ASSETS</b>	<b>2,907,173</b>	<b>2,828,464</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Long-term debt, current portion	32,219	32,219
Accounts payable, accrued liabilities & other current liabilities	40,089	31,779
Fair value of financial instruments, current portion	52,527	48,217
	124,835	112,215
<b>LONG-TERM LIABILITIES</b>		
Long-term debt, net of current portion	2,132,419	2,075,459
Fair value of financial instruments, net of current portion	369,150	414,668
Other long-term liabilities	6,726	7,088
	2,508,295	2,497,215
<b>STOCKHOLDERS' EQUITY</b>		
Common stock	546	546
Additional paid-in capital	288,584	288,615
Treasury stock	(41)	(88)
Accumulated other comprehensive loss	(439,566)	(474,514)
Retained earnings	424,520	404,475
	274,043	219,034
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$2,907,173</b>	<b>\$2,828,464</b>

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

	Three months ended March 31,	Three months ended March 31,
	2009	2008
<b>Cash Flows provided by / (used in):</b>		
<b>Operating Activities:</b>		
Net income	\$20,045	\$31,522
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
Depreciation	14,221	11,759
Amortization of deferred charges	2,022	1,643
Written off amount of deferred charges	412	181
Stock based compensation	16	—
Payments for drydocking / special survey	(4,720)	(3,184)
Change in fair value of debt and financial instruments	(6,853)	(1,781)
Gain on sale of vessels	—	(5,582)
Accounts receivable	333	1,354
Other assets, current and non-current	(4,072)	(2,727)
Accounts payable and accrued liabilities	6,856	2,911
Other liabilities, current and non-current	1,092	(33)
<b>Cash provided by Operating Activities</b>	<b>29,352</b>	<b>36,063</b>
<b>Investing Activities:</b>		
Vessel acquisitions including advances	(131)	(76,240)
Vessels under construction	(132,882)	(137,280)
Proceeds from sale of vessels	—	54,457
<b>Cash used in Investing Activities</b>	<b>(133,013)</b>	<b>(159,063)</b>
<b>Financing Activities:</b>		
Debt draw downs	67,550	185,013
Debt repayment	(9,217)	(40,217)
Dividends paid	—	(25,369)
Deferred costs	(1,349)	(1,179)
Decrease in restricted cash	31,971	4,972
<b>Cash provided by Financing Activities</b>	<b>88,955</b>	<b>123,220</b>
Net change in cash and cash equivalents	(14,706)	220
Cash and cash equivalents, beginning of period	120,720	63,495
<b>Cash and cash equivalents, end of period</b>	<b>\$106,014</b>	<b>\$63,715</b>

**Reconciliation of Net Income to EBITDA – Unaudited**

	<b>Three months ended March 31, 2009</b>	<b>Three months ended March 31, 2008</b>
Net income	\$20,045	\$31,517
Depreciation	14,221	11,759
Amortization of deferred drydocking & special survey costs	1,915	1,610
Interest income	(986)	(1,086)
Interest expense	12,708	7,340
<b>EBITDA <sup>(1)</sup> from continuing operations</b>	<b>\$47,903</b>	<b>\$51,140</b>
EBITDA <sup>(1)</sup> from discontinued operations	—	5
<b>EBITDA <sup>(1)</sup></b>	<b>\$47,903</b>	<b>\$51,145</b>

- (1) EBITDA represents net income before interest, income tax expense, depreciation and amortization. However, EBITDA is not a recognized measurement under U.S. generally accepted accounting principles, or "GAAP." We believe that the presentation of 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 EBITDA is useful in evaluating our ability to service additional debt and make capital expenditures. In addition, we believe that EBITDA is useful in evaluating our operating performance and liquidity position compared to that of other companies in our industry because the calculation of 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.