

danaos
World-Class Shipping, Leading-Edge Expertise

Danaos - Corporation



March 2013

Disclosures



This presentation contains certain statements that may be deemed to be “forward-looking statements” within the meaning of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, that address activities, events or developments that the Company expects, projects, believes or anticipates will or may occur in the future, including, without limitation, the outlook for fleet utilization and shipping rates, general industry conditions including bidding activity, future operating results of the Company’s vessels, future operating revenues and cash flows, capital expenditures, asset sales, expansion and growth opportunities, bank borrowings, financing activities and other such matters, are forward-looking statements. Although the Company believes that its expectations stated in this presentation are based on reasonable assumptions, actual results may differ from those projected in the forward-looking statements. Danaos Corporation is listed in the New York Stock Exchange under the ticker symbol “DAC”. Before you invest, you should also read the documents Danaos Corporation has filed with the SEC for more complete information about the company. You may get these documents for free by visiting EDGAR on the SEC Website at www.sec.gov or via www.danaos.com

Readers of this presentation should review our Annual Report on Form 20-F filed with the SEC on March 1, 2013, including the section entitled “Key Information – Risk Factors”, and our other filings with the SEC for a discussion of factors and circumstances that could affect our future financial results and our ability to realize the expectations stated herein.

EBITDA and Adjusted EBITDA may be included in our presentations. Adjusted EBITDA represents net income plus interest and finance costs, depreciation, amortization and income taxes, if any, plus stock-based compensation expense and other non-cash or one-off items. EBITDA and Adjusted EBITDA are presented because they are used by certain investors to measure a company’s financial performance. EBITDA and Adjusted EBITDA are “non-GAAP financial measure” and should not be considered a substitute for net income, cash flow from operating activities and other operations or cash flow statement data prepared in accordance with accounting principles generally accepted in the United States or as a measure of profitability or liquidity.

Key Business Aspects



Management

- Company founded in 1972
- Highly experienced executive team

Sound Business Model

- Contracted revenue of \$4.9bn through long-term time charters
- Newbuilding program successfully completed
- High charter coverage protects free cash flow generation and downside market risk
- Counterparties continued to perform even in the 2009 all time lows

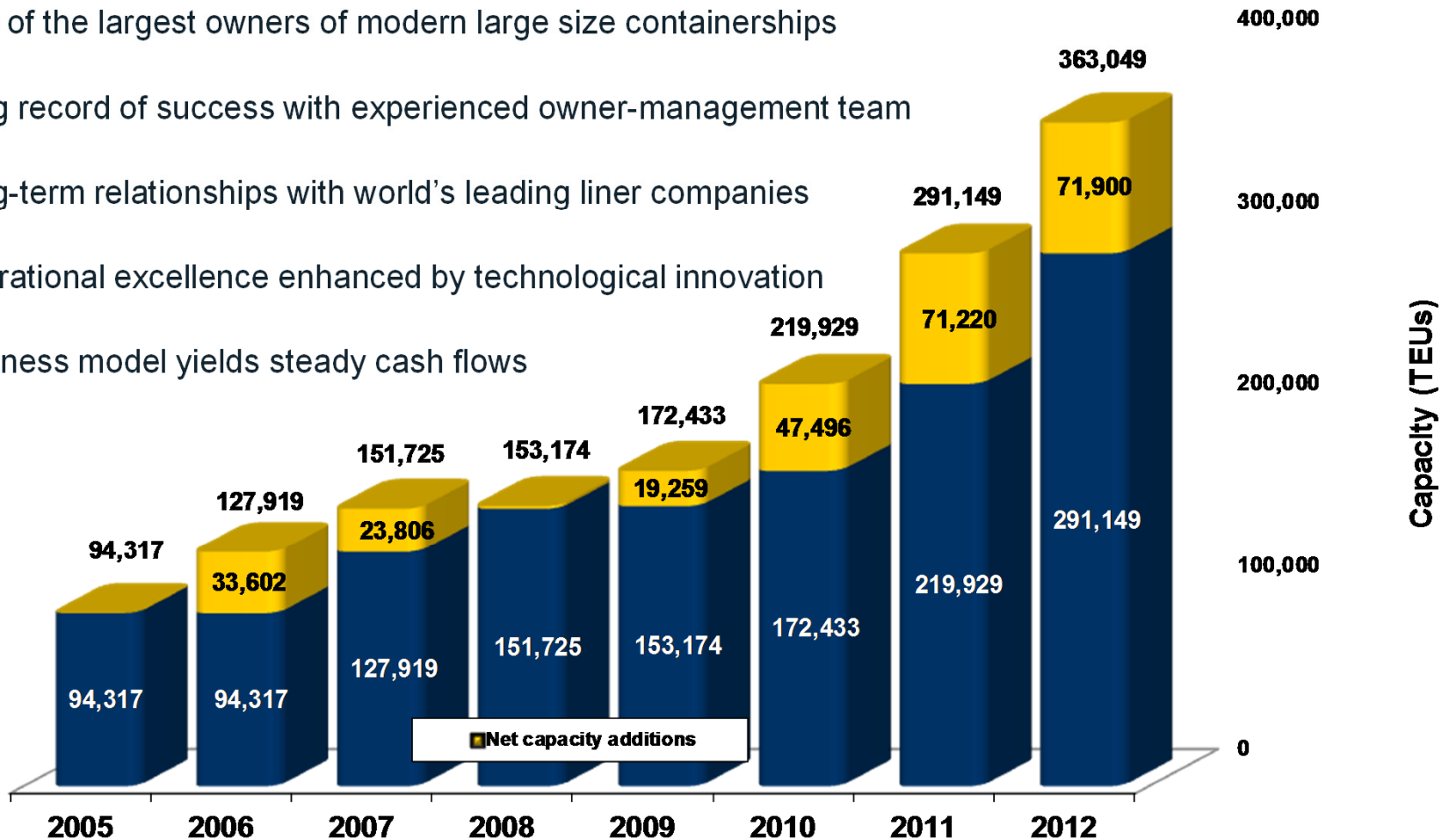
DAC
LISTED
NYSE

- Listed since 2006
- Management is majority shareholder and is aligned with public shareholders

Key Operational and Financial Highlights



- One of the largest owners of modern large size containerships
- Long record of success with experienced owner-management team
- Long-term relationships with world's leading liner companies
- Operational excellence enhanced by technological innovation
- Business model yields steady cash flows

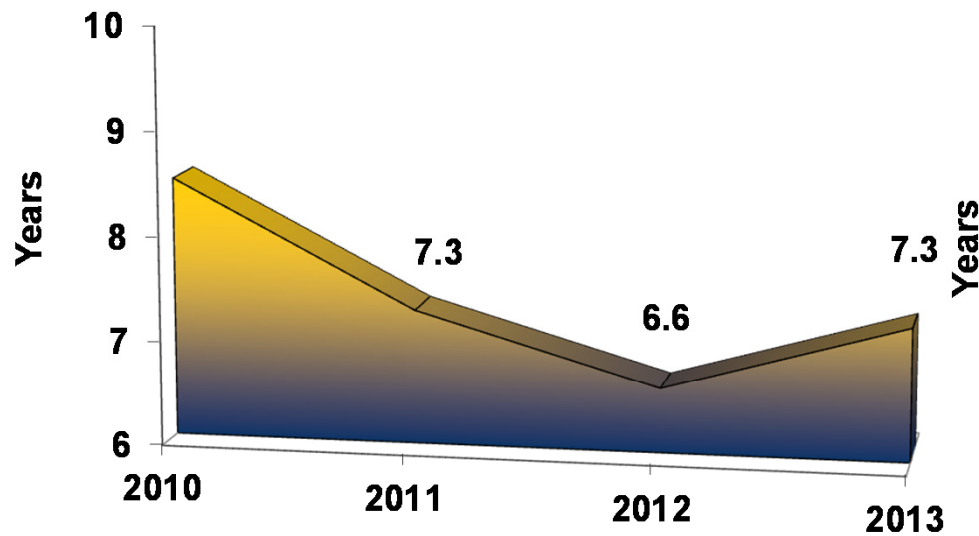


Capitalizing on leading industry presence

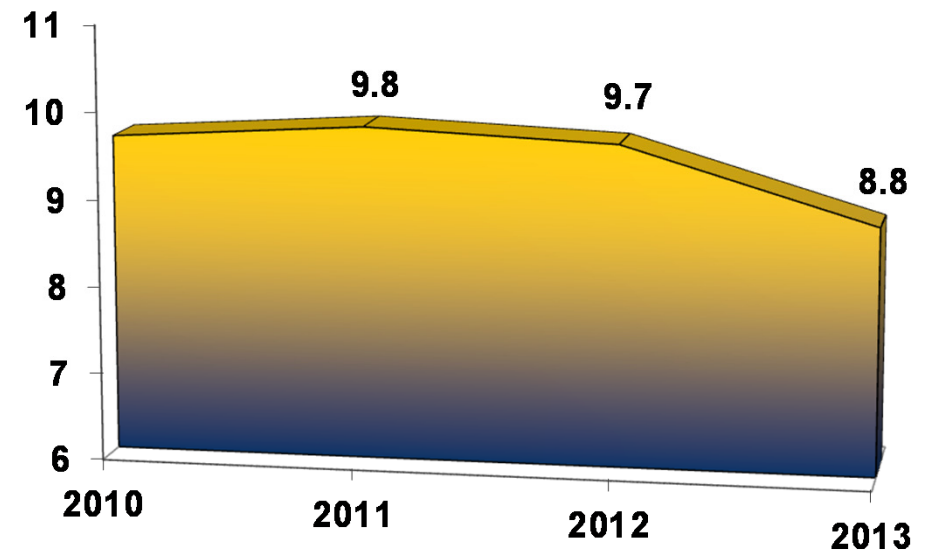
Young Fleet with Long-term Charters



Fleet Age

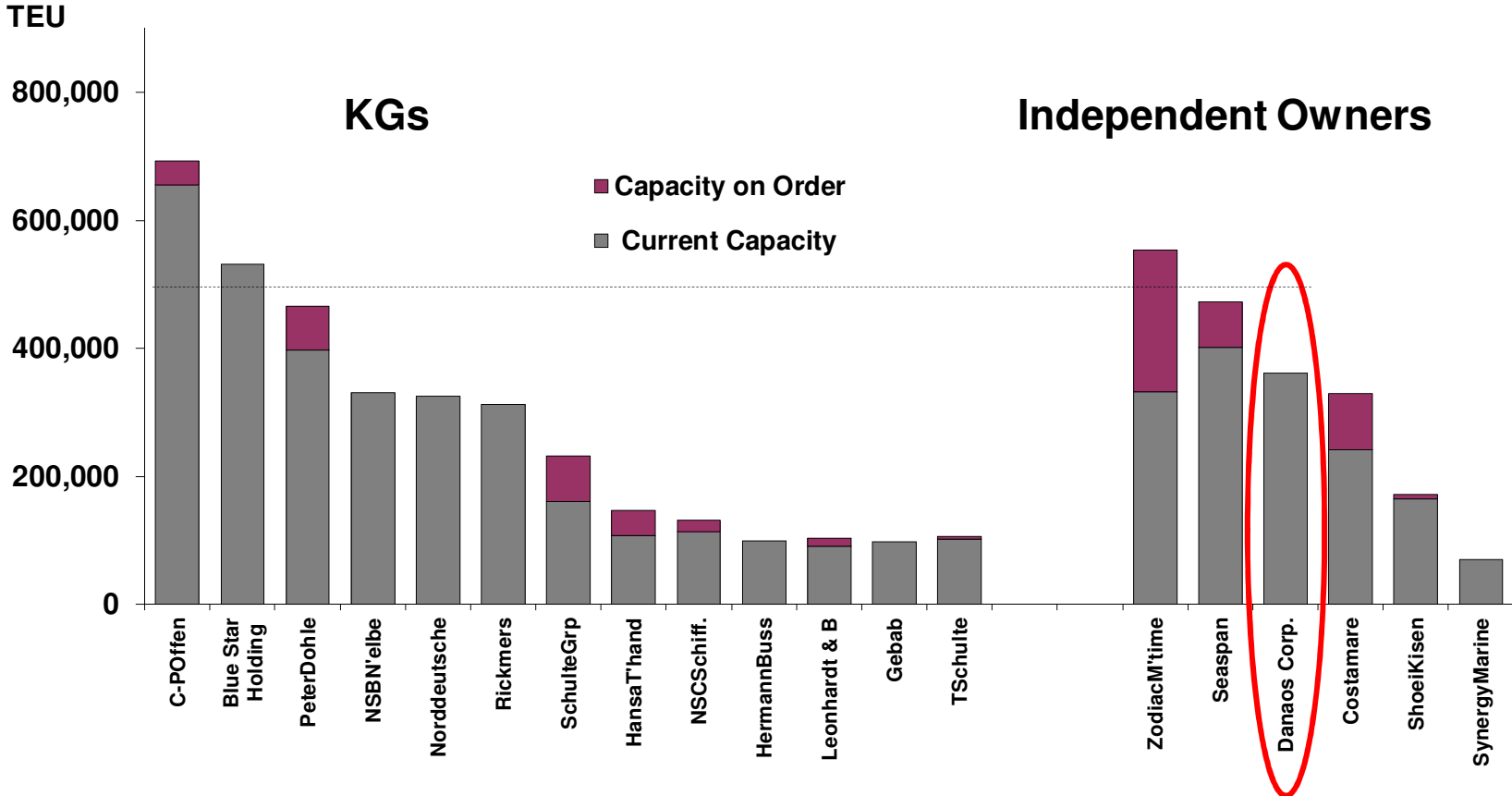


Charter Average Length



Young fleet age and significant charter length

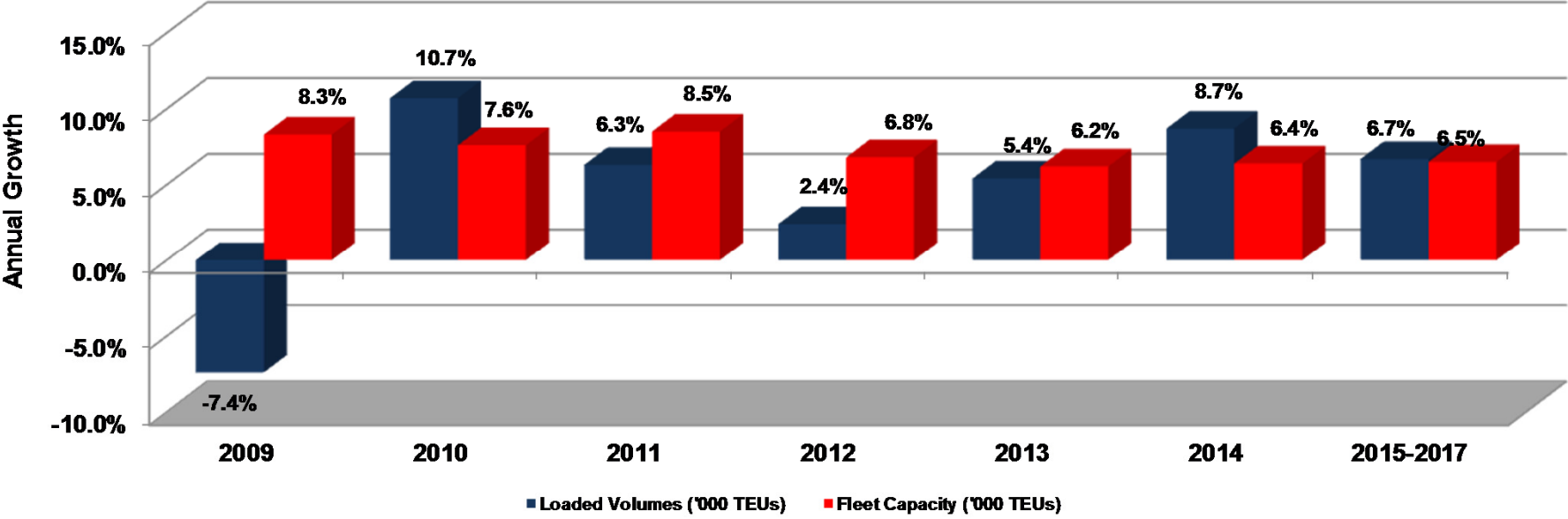
Leading Position with 64 Vessel Fleet



■ KG market retraction benefits independent charter owners like Danaos

A market leader among the large charter owners

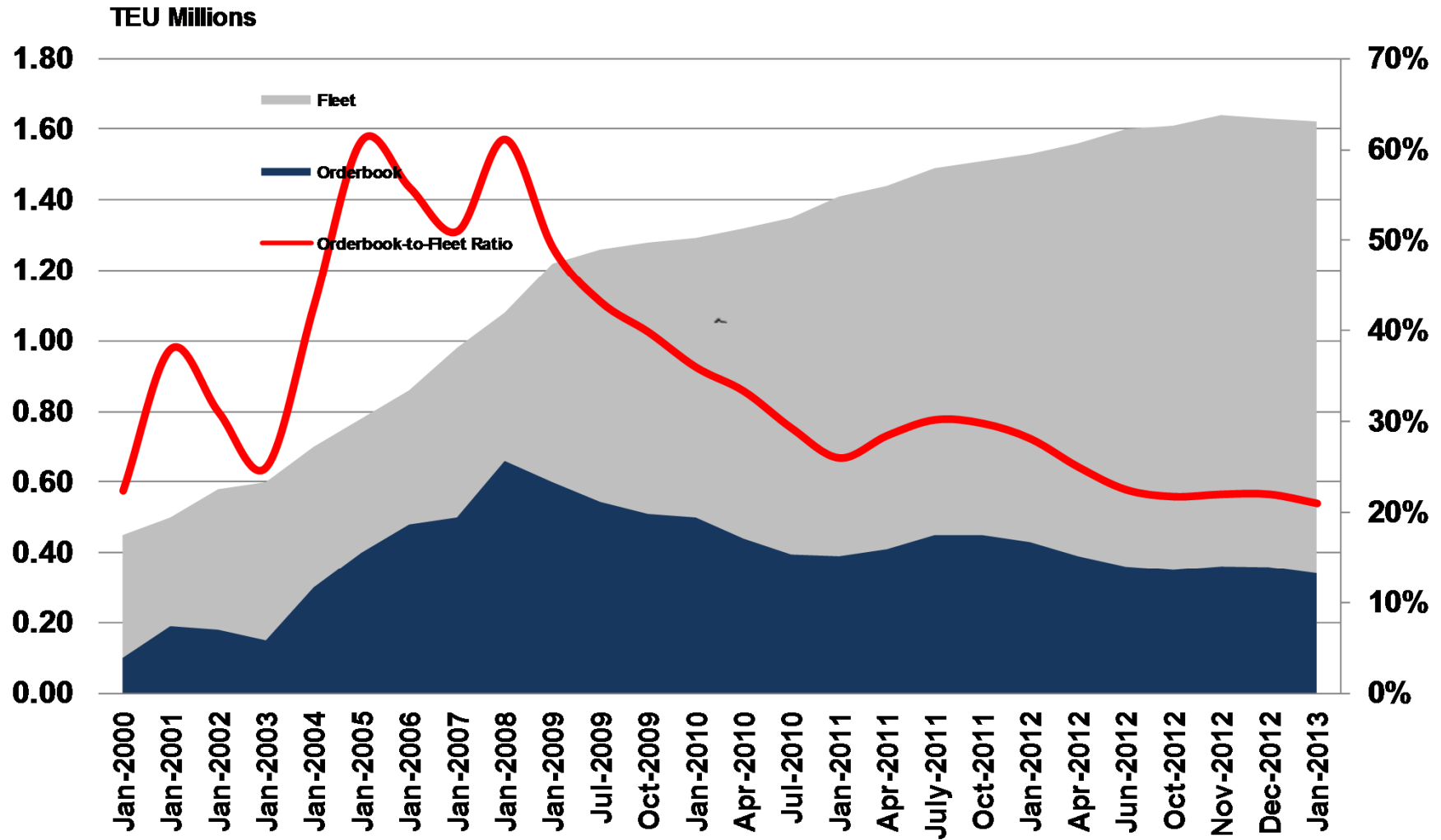
Demand / Supply Fundamentals



Source: Marsoft

Opportunities for preferred tonnage providers like Danaos when demand / supply balance recovers

Healthy Orderbook

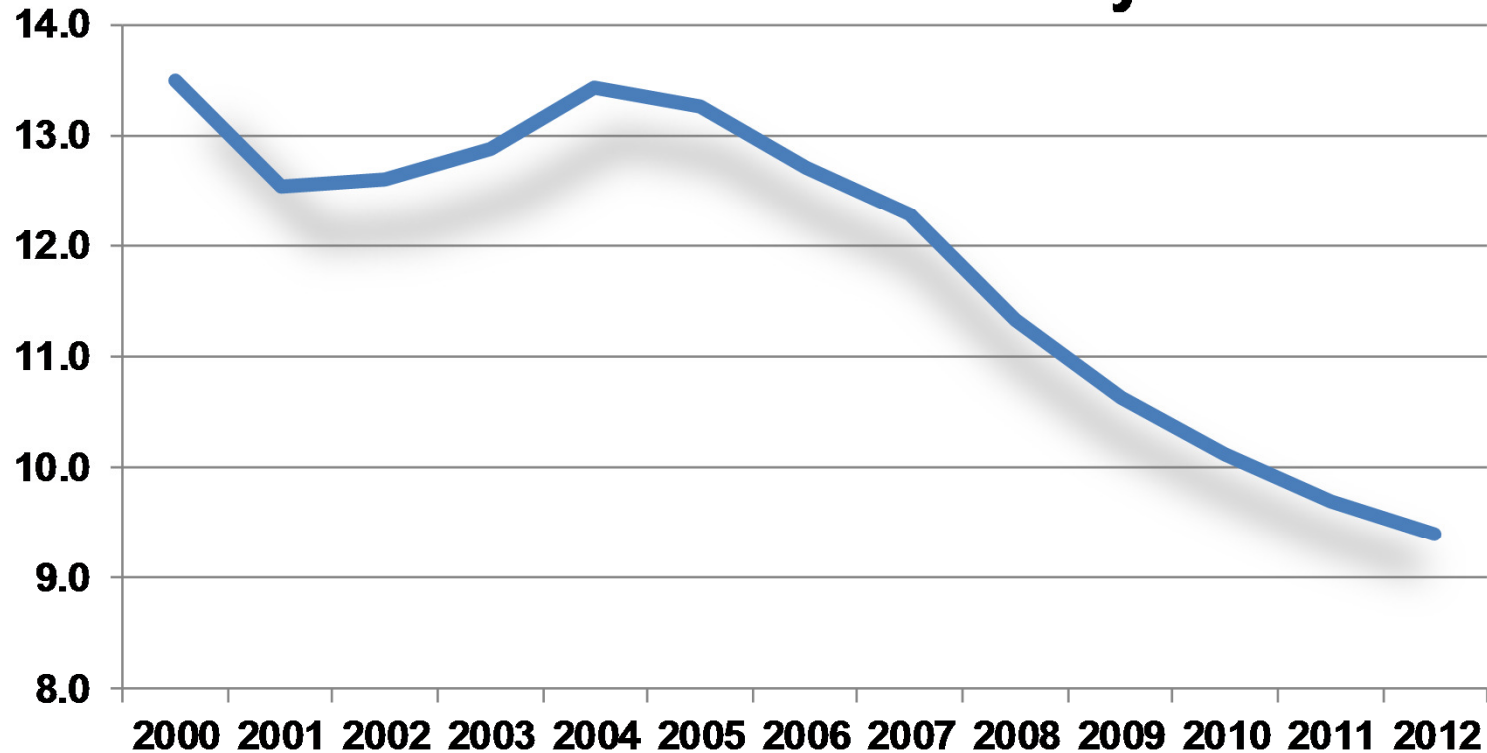


Source: Clarkson Research Services

Slow Steaming Here to Stay – Fleet Velocity Decreasing



Cellular Fleet Velocity*



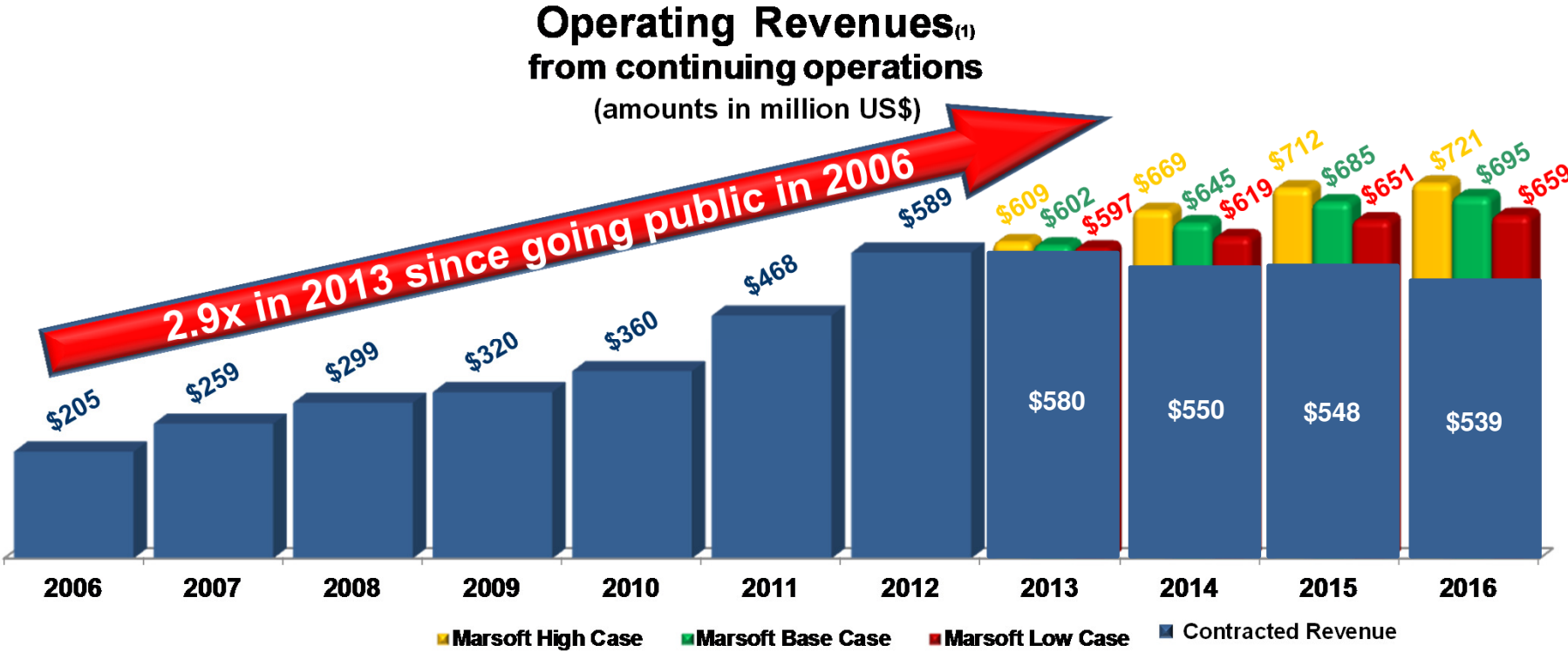
*Defined as the ratio of transported volumes over the active cellular fleet in TEU, i.e. TEU capacity excluding laid-up vessels

Source: Marsoft

Financial Overview



History and Future - Operating Revenues



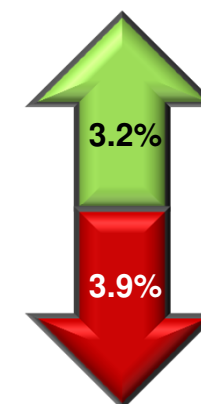
(1) Re-chartering assumptions used to project revenues are based on Marsoft latest research using the High, Base and Low Case scenarios. Please refer to the Appendix for analysis of parameters influencing projected operating revenues.

Total Operating Revenues Projections & Sensitivity



Projected Total Operating Revenues* & Sensitivity on re-chartering rates (amounts in million US\$)

Re-chartering	2012	2013	2014	2015	2016
High Case	589	609	669	712	721
Base Case	589	602	645	685	695
Low Case	589	597	619	651	659

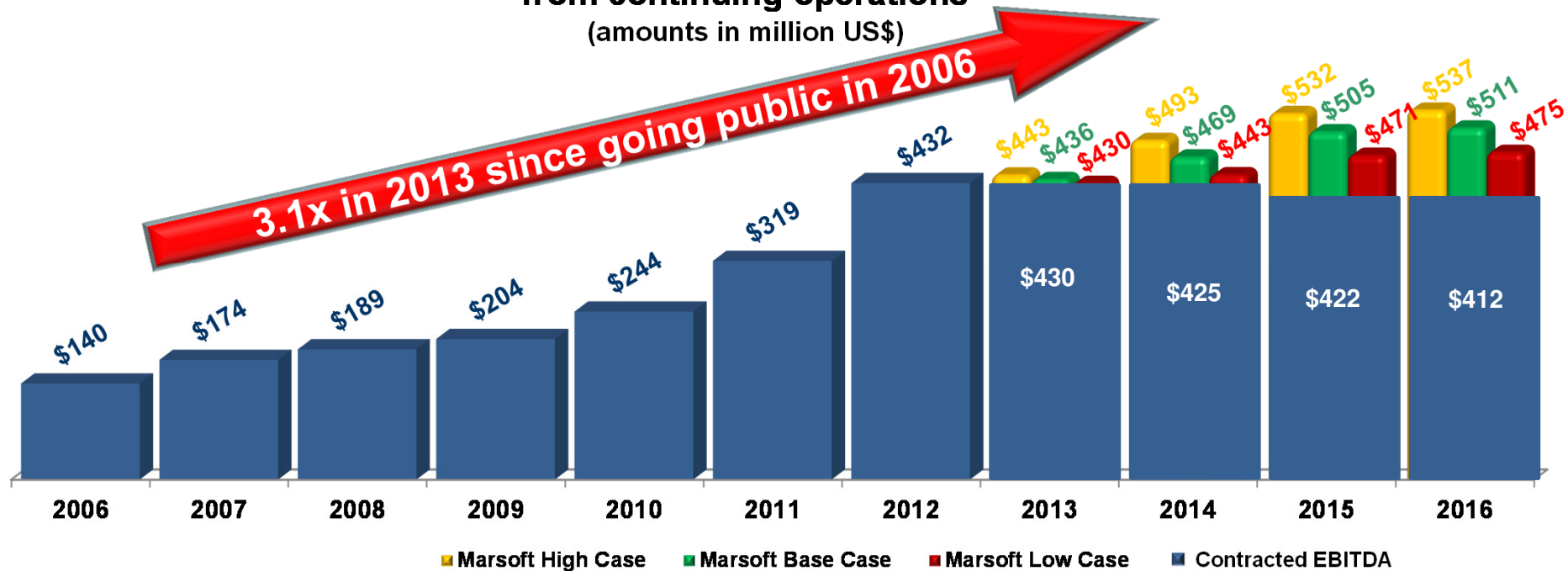


*Base, High and Low Cases assume re-chartering at Marsoft charter rates based on their latest research report. The above sensitivity table demonstrates what would be the total operating revenues if Marsoft re-chartering rates fluctuate upwards (Marsoft High Case) or downwards (Marsoft Low Case) relative to the Base Case Marsoft scenario. Under the Base Case, charters expire at the earliest expiry date without any charterers' options being exercised. Please refer to the Appendix of this presentation for further guidance on the calculation of future revenues, off-hire days etc.

History and Future - EBITDA



Adjusted EBITDA⁽¹⁾⁽²⁾ from continuing operations (amounts in million US\$)



(1) Adjusted EBITDA is defined as Earnings before Interest, Taxes, Depreciation, Amortization, other non-cash and one-off items. Please refer to the Appendix of this presentation for further guidance on the underlying assumptions used to derive Adjusted EBITDA, and a reconciliation to Net Cash provided by Operating Activities.

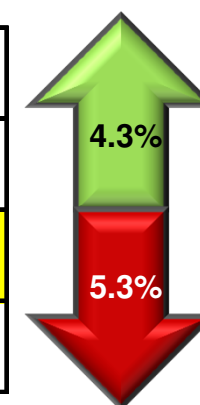
(2) Re-chartering assumptions used to project Adjusted EBITDA are based on Marsoft latest research using the High, Base and Low Case scenarios. Please refer to the Appendix for analysis of parameters influencing projected Adjusted EBITDA.

Adjusted EBITDA Projections & Sensitivity



Projected Adjusted EBITDA* & Sensitivity on re-chartering rates (amounts in million US\$)

Re-chartering	2012	2013	2014	2015	2016
High Case	432	443	493	532	537
Base Case	432	436	469	505	511
Low Case	432	430	443	471	475

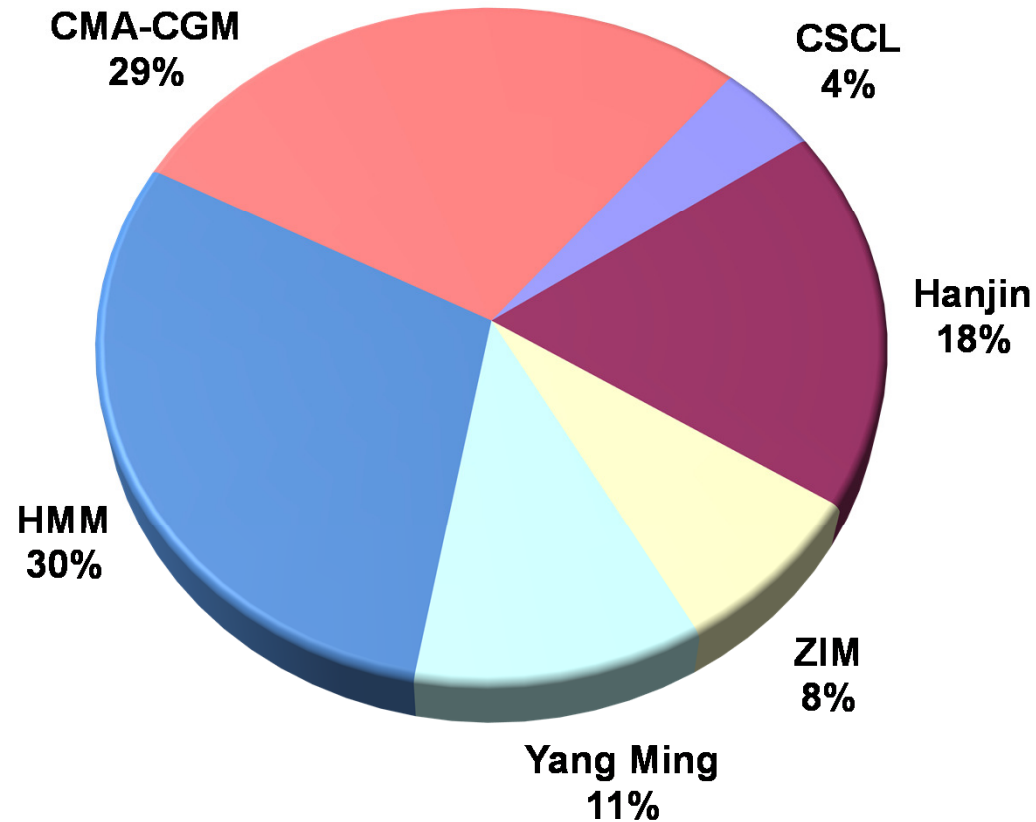


*Adjusted EBITDA is defined as Earnings before Interest, Taxes, Depreciation, Amortization, other non-cash and one-off items under Base, High and Low Case recharterings at Marsoft charter rates based on their latest research report. Please refer to the Appendix of this presentation for further guidance on the underlying assumptions used to derive Adjusted EBITDA, and a reconciliation to Net Cash provided by Operating Activities.

Total Contracted Revenue per Charterer



Contracted Revenues per Charterer

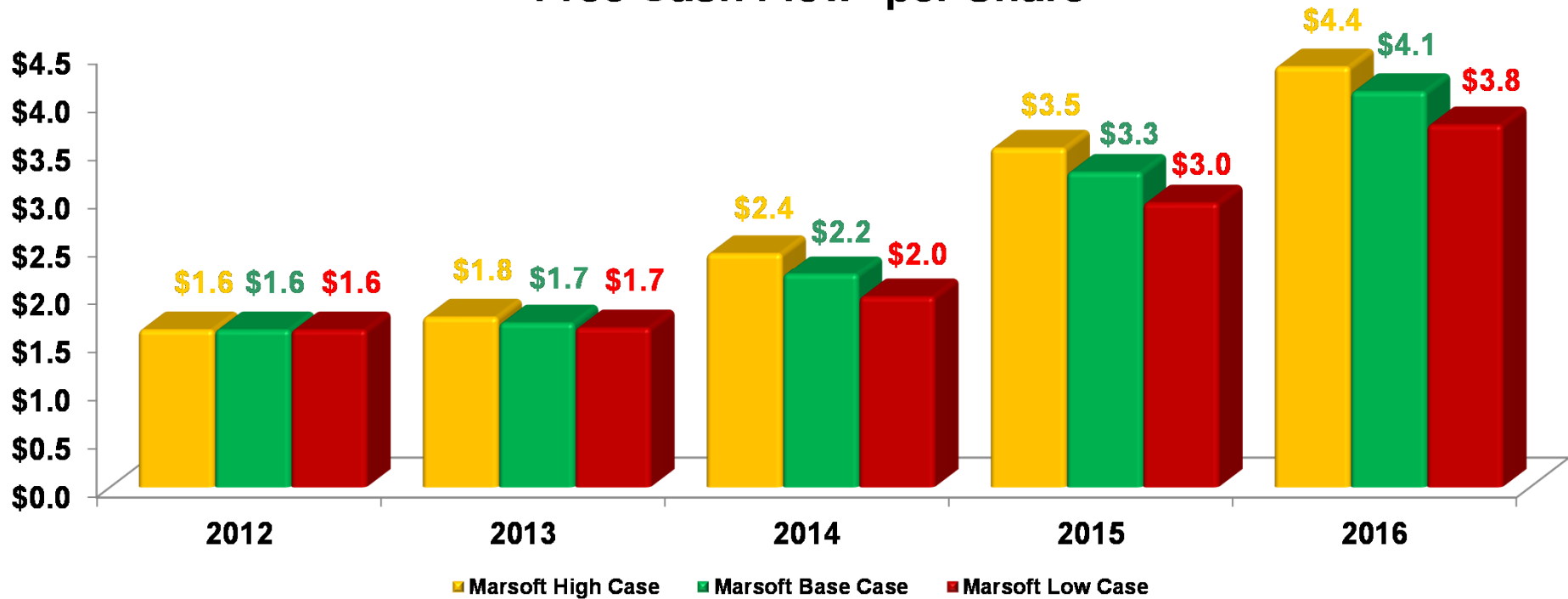


\$ 4.9 billion contracted revenue from long-term fixed rate diversified charters

Significant Free Cash Flow per Share



Free Cash Flow* per Share



Significant Equity Value building up

* Defined as Net Cash generated for the period before Newbuilding CAPEX, Debt Drawdowns and Debt Amortization. Based on current share count of 109.6 million shares.

Capital Structure Fundamentals



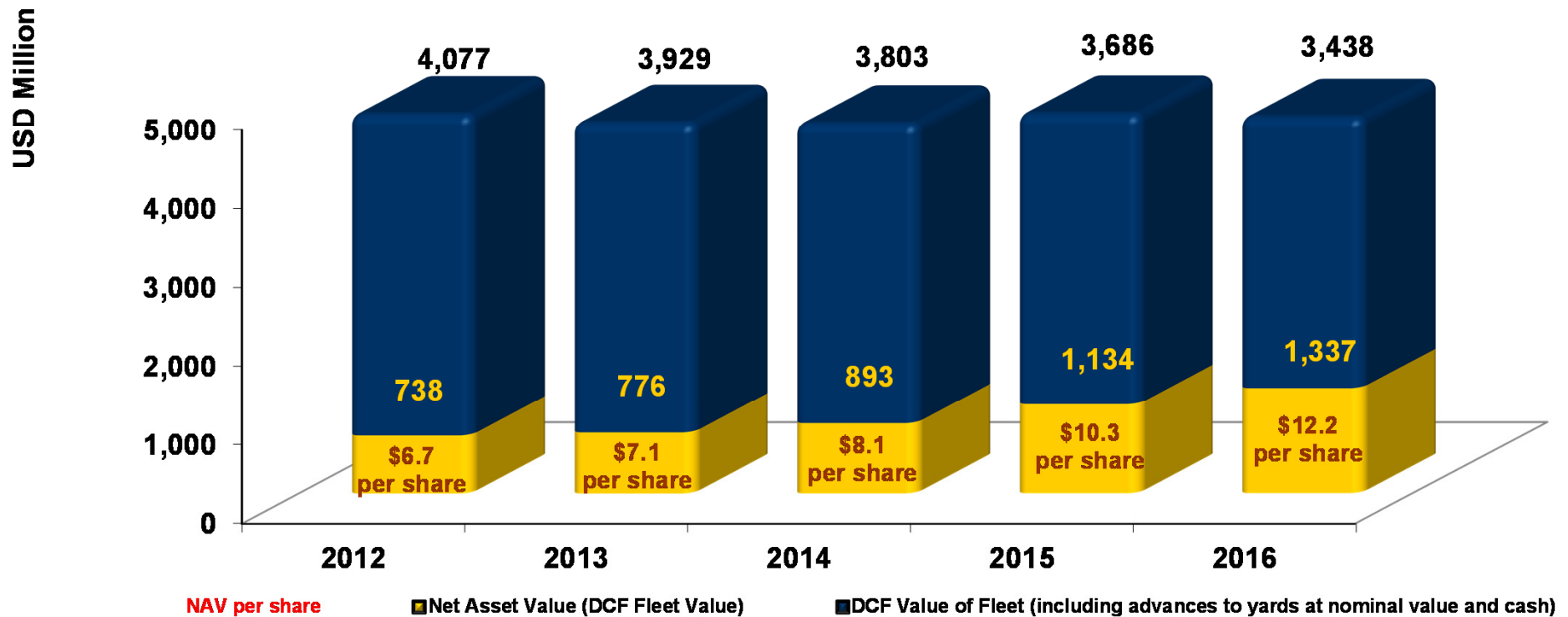
- De-risked capital structure, no refinancing risks until the end of 2018
- Debt amortization aligned to the corporate free cash generation
- Company can now work towards creating value for the shareholders

Unlocking the intrinsic value of Danaos

Fleet Value on a DCF basis



DCF Gross and Net Asset Value ⁽¹⁾



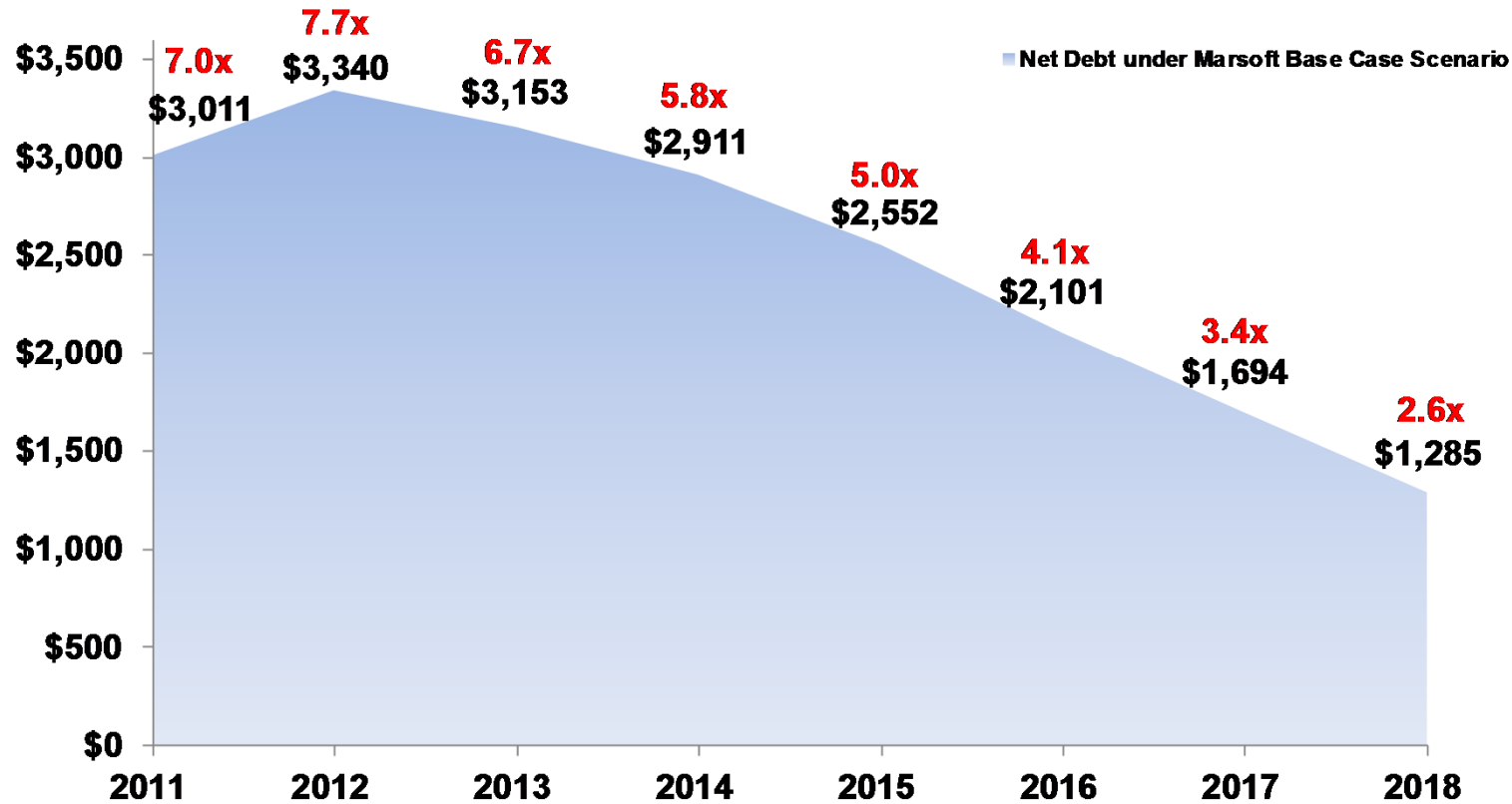
The discounted cash flow value per share is significant, reflecting the cash generating capacity of the operations and the high value long-term charter contracts secured for the fleet

(1) Discounted cash flow value for vessels in operation @8% avg. discount rate over the duration of the charters plus advances to yards at nominal value less net debt

Net Debt Profile / Rapid De-leveraging



Net Debt and Adjusted EBITDA Multiple*
(Amounts in millions of US \$)



Smooth amortization schedule without any re-financing requirement through 2018

* Net Debt at period end over 1 year forward Adjusted EBITDA. Please refer to the Appendix for the underlying assumptions on Adjusted EBITDA

Our Future is Bright



- Our new capital structure allows us to profitably and prudently expand the company
- Long-term fixed rate charters provide cash flow visibility
- Excellent long-term customer relationships tested during the last crisis
- We are well positioned to participate in the next growth cycle and be an industry consolidator
- Management retains significant shareholding interest in Danaos



Danaos Corporation

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World – Class Shipping

Leading – Edge Expertise



Appendix



Underlying Base Case Assumptions



- Revenues
 - Contracted periods run until earliest dates charters can expire, no options exercised
 - Re-chartering of five vessels currently idle together with a further two vessels anticipated to be laid-up until April 2013 are all assumed to be re-activated on July 1, 2013
 - All re-charterings are based on Marsoft low/base/high scenarios
 - Operating off-hire of 1.1 days per annum per vessel
 - Dry-dock off-hire 15 days every 5 years for all vessels until their 15th year of age and thereafter 15 days every 2.5 years. Assumed cost of \$1 mil. for each dry-docking
 - All vessels are assumed to be scrapped when 30 yrs old, at \$300/ton.

- Operating Expenses
 - Operating expenses as per company's 2013 budget thereafter escalated at 2.5% per annum.

Underlying Base Case Assumptions



- Adjusted EBITDA*
 - Non-GAAP measure, defined herein as Earnings before Interest, Depreciation, Amortization, non-cash and one-off items
 - Reconciliation of Net Cash Provided by Operating Activities to Adjusted EBITDA under Base Case:

Reconciliation of Net Cash from Operating

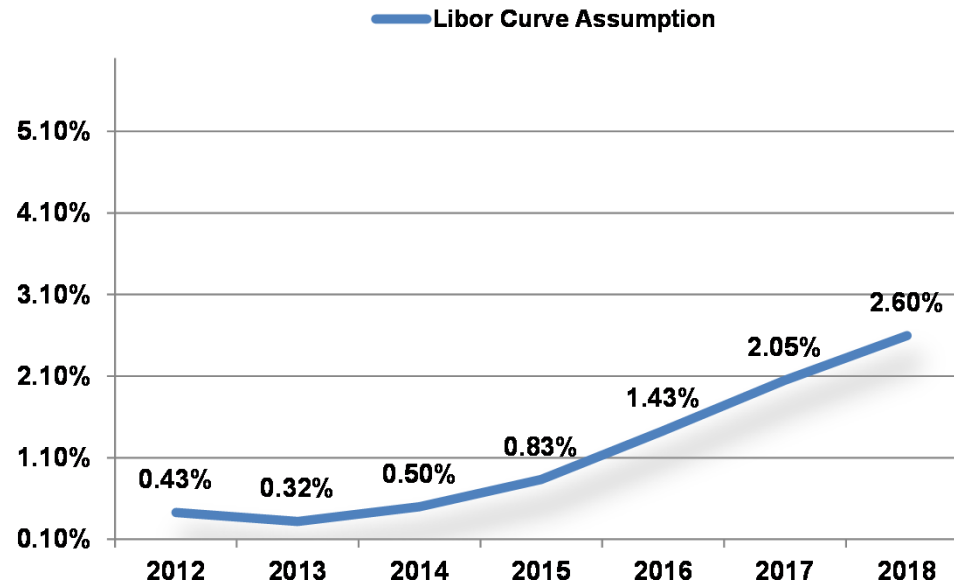
Activities to Adjusted EBITDA (amounts in million US\$)	2012	2013	2014	2015	2016
Net Cash provided by Operating Activities	\$167	\$187	\$243	\$359	\$451
<i>Add back:</i>					
Net movement in current and non-current assets & liabilities	12	9	13	10	(41)
Net Finance Costs (incl. interest expense and swaps)	218	234	198	127	82
Realized loss on over-hedging portion of derivatives	19	-	-	-	-
Realized loss on derivatives deferred in OCI	7	-	-	-	-
Payments for dry-docking / special survey	9	6	15	9	19
Other one-off and non-cash items	-	-	-	-	-
Adjusted EBITDA	\$432	\$436	\$469	\$505	\$511

* Under Marsoft Base Case Scenario.

Underlying Base Case Assumptions



- Calculation of interest and swap cash flows are based on the following forward US\$ interest rate Libor curve as at February 15, 2013.



- Interest rate hedging uses current hedging arrangements through interest rate swaps as disclosed in the 2012 Annual report on form 20-F.
- All per share data has been calculated on the basis of 109.6 mil. shares*

* We have 15 mil. warrants outstanding with an exercise price of \$7.00 per share expiring in January 2019, which are exercisable solely on a cash-less basis. As a result, the number of shares of common stock issuable upon exercise will be reduced. For instance, in the event 100 warrants were exercised at an exercise price of \$7.00 per share at a time when our common stock was \$10.00 per share, 30 shares would be issuable rather than 100 shares.

Management and Non Exec. Board Members



Management

Dr. John Coustas	Chairman & Chief Executive Officer – Director
Iraklis Prokopakis	Senior Vice President & Chief Operating Officer - Director
Evangelos Chatzis	Chief Financial Officer
Dimitris Vastarouchas	Deputy Chief Operating Officer
<u>Non-Executive Board Members</u>	
Robert Mundell	Chairman of the Nominating and Governance Committee – Director
Andrew Fogarty	Chairman of the Compensation Committee – Director
Myles Itkin	Chairman of the Audit Committee - Director
Miklós Konkoly-Thege	Director
George Economou	Director

Experienced senior management and high profile non executives