UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2015

Commission File Number 001-33060

DANAOS CORPORATION

(Translation of registrant's name into English)

Danaos Corporation
c/o Danaos Shipping Co. Ltd.
14 Akti Kondyli
185 45 Piraeus
Greece
Attention: Secretary
011 030 210 419 6480
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

This report on Form 6-K is hereby incorporated by reference into the Company's (i) Registration Statement on Form F-3 (Reg. No. 333-174500) filed with the SEC on May 25, 2011, (ii) Registration Statement on Form F-3 (Reg. No. 333-174494) filed with the SEC on May 25, 2011, (iii) Registration Statement on Form F-3 (Reg. No. 333-147099), the related prospectus supplements filed with the SEC on December 17, 2007, January 16, 2009 and March 27, 2009, (iv) Registration Statement on Form S-8 (Reg. No. 333-138449) filed with the SEC on November 6, 2006 and the reoffer prospectus, dated November 6, 2006, contained therein and (v) Registration Statement on Form F-3 (Reg. No. 333-169101).

EXHIBIT INDEX

99.1	Operating and Financial Review and Prospects and Condensed Consolidated Financial Statements (Unaudited) for the Three and Six Months Ended June 30, 2015.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 4, 2015

DANAOS CORPORATION

By: /s/ Evangelos Chatzis
Name: Evangelos Chatzis
Title: Chief Financial Officer

DANAOS CORPORATION

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion and analysis should be read in conjunction with our interim condensed consolidated financial statements (unaudited) and the notes thereto included elsewhere in this report.

Results of Operations

Three months ended June 30, 2015 compared to three months ended June 30, 2014

During the three months ended June 30, 2015, Danaos had an average of 56.0 containerships compared to 55.8 containerships for the three months ended June 30, 2014. Our fleet utilization increased to 99.4% in the three months ended June 30, 2015 compared to 97.3% in the three months ended June 30, 2014.

Operating Revenue

Operating revenues increased 3.7%, or $5.1 million, to $141.5 million in the three months ended June 30, 2015, from $136.4 million in the three months ended June 30, 2014.

Operating revenues for the three months ended June 30, 2015 reflect:

- $2.9 million of additional revenues in the three months ended June 30, 2015 compared to the three months ended June 30, 2014, related to the *Priority* and *Performance* , which were added to our fleet on November 5, 2014.

- $2.2 million incremental revenues in the three months ended June 30, 2015 compared to the three months ended June 30, 2014, related to revenue recognition accounting of the Zim restructuring that became effective on July 16, 2014.

- $0.4 million of lower revenues in the three months ended June 30, 2015 compared to the three months ended June 30, 2014, related to the *Commodore* , the *Messologi* and the *Mytilini* , which were generating revenues during the three months ended June 30, 2014 and were sold during 2014.

- $0.4 million of additional revenues due to improved fleet utilization in the three months ended June 30, 2015 compared to the three months ended June 30, 2014.

Voyage Expenses

Voyage expenses remained stable, amounting to $3.2 million both in the three months ended June 30, 2015 and the three months ended June 30, 2014.

Vessel Operating Expenses

Vessel operating expenses increased 2.4%, or $0.7 million, to $29.6 million in the three months ended June 30, 2015, from $28.9 million in the three months ended June 30, 2014. The increase is attributed to incremental operating expenses of $1.2 million for vessels *Priority* and *Performance* that were acquired on November 5, 2014, partially offset by a $0.5 million reduction in operating expenses of vessels that incurred operating expenses during the three months ended June 30, 2014 and were sold during 2014.

The average daily operating cost per vessel slightly increased to $6,018 per day for the three months ended June 30, 2015, from $5,957 per day for the three months ended June 30, 2014. Management believes that our daily operating cost ranks as one of the most competitive in the industry.

Depreciation

Depreciation expense decreased 3.5%, or $1.2 million, to $32.9 million in the three months ended June 30, 2015, from $34.1 million in the three months ended June 30, 2014, mainly due to the lower depreciation expense on the eight 2,200 TEU vessels with respect to which we recorded an impairment charge on December 31, 2014.

Amortization of Deferred Drydocking and Special Survey Costs

Amortization of deferred dry-docking and special survey costs decreased by $0.3 million, to $0.9 million in the three months ended June 30, 2015, from $1.2 million in the three months ended June 30, 2014. The decrease is mainly due to the expiration of the amortization periods related to certain vessels during the three months ended June 30, 2015 compared to the three months ended June 30, 2014.

General and Administrative Expenses

General and administrative expenses increased by $0.1 million, to $5.4 million in the three months ended June 30, 2015, from $5.3 million in the three months ended June 30, 2014.

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

Gain on sale of vessels

Gain on sale of vessels was nil in the three months ended June 30, 2015 compared to $5.2 million in the three months ended June 30, 2014. During the three months ended June 30, 2014, we sold the *Commodore* on April 25, 2014, the *Duka* on May 15, 2014, the *Mytilini* on May 15, 2014 and the *Messologi* on May 20, 2014. There were no vessel sales during the three months ended June 30, 2015.

Interest Expense and Interest Income

Interest expense decreased by 12.8%, or $2.6 million, to $17.7 million in the three months ended June 30, 2015, from $20.3 million in the three months ended June 30, 2014. The change in interest expense was mainly due to the decrease in our average debt by $223.0 million, to $2,920.8 million in the three months ended June 30, 2015, from $3,143.8 million in the three months ended June 30, 2014, as well as the decrease in the cost of debt service in the three months ended June 30, 2015 compared to the three months ended June 30, 2014, mainly driven by the accelerated amortization of our fixed rate debt, which bears a higher cost compared to our floating rate debt.

The Company is rapidly deleveraging its balance sheet. As of June 30, 2015, the debt outstanding was $2,910.1 million compared to $3,129.1 million as of June 30, 2014.

Interest income amounted to $0.8 million in the three months ended June 30, 2015 compared to nil in the three months ended June 30, 2014.

Other Finance Costs, net

Other finance costs, net decreased by $0.2 million, to $4.7 million in the three months ended June 30, 2015, from $4.9 million in the three months ended June 30, 2014. This decrease was mainly due to the $0.3 million decrease in amortizing finance fees (which were deferred and are amortized over the term of the respective credit facilities) in the three months ended June 30, 2015 compared to the three months ended June 30, 2014.

Unrealized and realized (loss)/gain on derivatives

Unrealized gain on interest rate swaps amounted to $4.5 million both in the three months ended June 30, 2015 and the three months ended June 30, 2014. The unrealized gains were attributable to mark to market valuation of our swaps due to the discontinuation of hedge accounting since July 1, 2012, as well as reclassification of unrealized losses from Accumulated Other Comprehensive Loss to our earnings.

Realized loss on interest rate swaps decreased by $17.3 million, to $14.5 million in the three months ended June 30, 2015, from $31.8 million in the three months ended June 30, 2014. This decrease is attributable to a $1,439.0 million lower average notional amount of swaps during the three months ended June 30, 2015 compared to the three months ended June 30, 2014 as a result of swap expirations.

Six months ended June 30, 2015 compared to six months ended June 30, 2014

During the six months ended June 30, 2015, Danaos had an average of 56.0 containerships compared to 57.2 containerships for the six months ended June 30, 2014. Our fleet utilization increased to 98.9% in the six months ended June 30, 2015 compared to 96.2% in the six months ended June 30, 2014.

Operating Revenue

Operating revenues increased 3.0%, or $8.2 million, to $280.1 million in the six months ended June 30, 2015, from $271.9 million in the six months ended June 30, 2014.

Operating revenues for the six months ended June 30, 2015 reflect:

- $5.6 million of additional revenues in the six months ended June 30, 2015 compared to the six months ended June 30, 2014, related to the *Priority* and *Performance* , which were added to our fleet on November 5, 2014.

- $4.3 million increase in revenues in the six months ended June 30, 2015 compared to the six months ended June 30, 2014, related to revenue recognition accounting of the Zim restructuring that became effective on July 16, 2014.

- $2.1 million decrease in revenues in the six months ended June 30, 2015 compared to the six months ended June 30, 2014, related to the *Commodore* , the *Messologi* and the *Mytilini* , which were generating revenues in the six months ended June 30, 2014 and were sold within 2014.

- $0.4 million of additional revenues due to improved fleet utilization in the six months ended June 30, 2015 compared to the six months ended June 30, 2014.

Voyage Expenses

Voyage expenses decreased by $0.3 million, to $6.2 million in the six months ended June 30, 2015, from $6.5 million in the six months ended June 30, 2014, mainly as a result of the lower average number of vessels in our fleet during the six months ended June 30, 2015 compared to the six months ended June 30, 2014.

Vessel Operating Expenses

Vessel operating expenses decreased 3.7%, or $2.2 million, to $56.9 million in the six months ended June 30, 2015, from $59.1 million in the six months ended June 30, 2014. The reduction is attributable to an improvement in the average daily operating cost per vessel and the decrease in the average number of vessels in our fleet during the six months ended June 30, 2015 compared to the six months ended June 30, 2014.

The average daily operating cost per vessel decreased to $5,821 per day for the six months ended June 30, 2015, from $6,034 per day for the six months ended June 30, 2014, mainly as a result of an 18.5% improvement in the average Euro to Dollar exchange rate between the two periods. Management believes that our daily operating cost ranks as one of the most competitive in the industry.

Depreciation

Depreciation expense decreased 4.1%, or $2.8 million, to $65.3 million in the six months ended June 30, 2015 from $68.1 million in the six months ended June 30, 2014, mainly due to the lower depreciation expense on the eight 2,200 TEU vessels with respect to which we recorded an impairment charge on December 31, 2014.

Amortization of Deferred Drydocking and Special Survey Costs

Amortization of deferred dry-docking and special survey costs decreased by $0.1 million, to $2.1 million in the six months ended June 30, 2015, from $2.2 million in the six months ended June 30, 2014.

General and Administrative Expenses

General and administrative expenses remained stable, amounting to $10.7 million both in the six months ended June 30, 2015 and the six months ended June 30, 2014.

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

Gain on sale of vessels

Gain on sale of vessels was nil in the six months ended June 30, 2015 compared to a gain of $5.7 million in the six months ended June 30, 2014. During the six months ended June 30, 2014, we sold the *Marathonas* on February 26, 2014, the *Commodore* on April 25, 2014, the *Duka* on May 15, 2014, the *Mytilini* on May 15, 2014 and the *Messologi* on May 20, 2014. There were no vessel sales during the six months ended June 30, 2015.

Interest Expense and Interest Income

Interest expense decreased by 13.1%, or $5.4 million, to $35.9 million in the six months ended June 30, 2015, from $41.3 million in the six months ended June 30, 2014. The change in interest expense was mainly due to the decrease in our average debt by $220.8 million, to $2,951.9 million in the six months ended June 30, 2015, from $3,172.7 million in the six months ended June 30, 2014, as well as the decrease in the cost of debt servicing in the six months ended June 30, 2015 compared to the six months ended June 30, 2014, mainly driven by the accelerated amortization of our fixed rate debt, which bears a higher cost compared to our floating rate debt.

The Company is rapidly deleveraging its balance sheet. As of June 30, 2015, the debt outstanding was $2,910.1 million compared to $3,129.1 million as of June 30, 2014.

Interest income amounted to $1.7 million in the six months ended June 30, 2015 compared to nil in the six months ended June 30, 2014.

Other Finance Costs, net

Other finance costs, net, decreased by $0.4 million, to $9.5 million in the six months ended June 30, 2015, from $9.9 million in the six months ended June 30, 2014. This decrease was due to the $0.4 million decrease in amortizing finance fees (which were deferred and are amortized over the term of the respective credit facilities) in the six months ended June 30, 2015 compared to the six months ended June 30, 2014.

Unrealized and realized (loss)/gain on derivatives

Unrealized gain on interest rate swap was a gain of $8.9 million in the six months ended June 30, 2015 compared to a gain of $10.2 million in the six months ended June 30, 2014. The unrealized gains were attributable to mark to market valuation of our swaps due to the discontinuation of hedge accounting since July 1, 2012, as well as reclassification of unrealized losses from Accumulated Other Comprehensive Loss to our earnings.

Realized loss on interest rate swaps decreased by $29.6 million, to $35.7 million in the six months ended June 30, 2015, from $65.3 million in the six months ended June 30, 2014. This decrease is attributable to $1,250.0 million lower average notional amount of swaps during the six months ended June 30, 2015 compared to the six months ended June 30, 2014 as a result of swap expirations.

Liquidity and Capital Resources

Our principal source of funds have been operating cash flows, vessel sales, long-term bank borrowings and a common stock sale in August 2010, as well as our initial public offering in October 2006. Our principal uses of funds have been capital expenditures to establish, grow and maintain our fleet, comply with international shipping standards, environmental laws and regulations and to fund working capital requirements.

Our short-term liquidity needs primarily relate to funding our vessel operating expenses, debt interest payments and servicing the current portion of our debt obligations. Our long-term liquidity needs primarily relate to debt repayment and capital expenditures related to any further growth of our fleet. We anticipate that our primary sources of funds will be cash from operations and equity or capital markets debt financings, subject to restrictions on uses of such funds and incurrence of debt in our credit facilities.

Under our existing multi-year charters as of June 30, 2015, we had contracted revenues of $279.7 million for the remainder of 2015, $520.9 million for 2016 and, thereafter, approximately $2.6 billion. Although these expected revenues are based on contracted charter rates, we are dependent on our charterers’ ability and willingness to meet their obligations under these charters.

In July 2014, ZIM and its creditors entered into definitive documentation effecting ZIM’s restructuring with its creditors. The terms of the restructuring include a reduction in the charter rates payable by ZIM under its time charters, expiring in 2020 or 2021, for six of our vessels. The terms also include our receipt of approximately $49.9 million aggregate principal amount of unsecured, interest bearing ZIM notes maturing in 2023 (consisting of $8.8 million of 3% Series 1 Notes due 2023 amortizing subject to available cash flow in accordance with a corporate cash sweep mechanism, and $41.1 million of 5% Series 2 Notes due 2023 non-amortizing (of the 5% interest rate, 3% is payable quarterly in cash and 2% is payable in kind, accrued quarterly with deferred cash payment on maturity)) and ZIM shares representing approximately 7.4% of the outstanding ZIM shares immediately after the restructuring, in exchange for such charter rate reductions and cancellation of ZIM’s other obligations to us which relate to the outstanding long term receivable as of December 31, 2013. See Note 6 to our unaudited condensed consolidated financial statements (unaudited) included in this report.

As of June 30, 2015, we had cash and cash equivalents of $74.1 million. As of June 30, 2015, we had no remaining borrowing availability under our credit facilities. As of June 30, 2015, we had $35.7 million of vendor financing outstanding, which is payable within the next twelve months, and $2.9 billion of outstanding indebtedness, of which $230.2 million was payable within the next twelve months.

On January 24, 2011, we entered into a definitive agreement, which we refer to as the “Bank Agreement”, which became effective on March 4, 2011, in respect of our existing financing arrangements (other than our credit facilities with the Export Import Bank of Korea (“KEXIM”) and with KEXIM and ABN Amro), and for new credit facilities, which we refer to as the “January 2011 Credit Facilities”, from certain of our lenders aggregating $424.75 million. The Bank Agreement provided for, among other things, the following under our existing bank debt facilities: the amortization and maturities were rescheduled, the interest rate margin was reduced, and the financial covenants, events of default and guarantee and security packages were revised. We are required under the Bank Agreement to apply a substantial portion of our cash from operations to the repayment of principal under our financing arrangements. We currently expect that the remaining portion of our cash from operations will be sufficient to fund all of our other obligations. Under the Bank Agreement, we are subject to limits on our ability to incur additional indebtedness without our lenders’ consent and requirements for the application of proceeds from any future vessel sales or financings, including sales of equity, as well as other transactions. See “Item 5. Operating and Financial Review and Prospects”, as well as Note 12, Long-term Debt to our consolidated financial statements in our Annual Report on Form 20-F for the year ended December 31, 2014 filed with the Securities and Exchange Commission on March 10, 2015.

As of June 30, 2015, we were in compliance with the financial and collateral coverage covenants under our debt arrangements. We believe that continued future compliance with the terms of these agreements will allow us to satisfy our liquidity needs. We anticipate that our primary sources of funds described above, including future equity or debt financings in the case of any further growth of our fleet to the extent permitted under our credit facilities, will be sufficient to satisfy all of the short-term and long-term liquidity needs described above, up to the 2018 maturity of the credit facilities under our Bank Agreement, which we expect to refinance at such time.

Our board of directors determined in 2009 to suspend the payment of further cash dividends as a result of market conditions in the international shipping industry and in order to conserve cash to be applied toward the financing of our then extensive newbuilding program. Under the Bank Agreement and the Sinosure-CEXIM credit facility, we are not permitted to pay cash dividends or repurchase shares of our capital stock unless (i) our consolidated net leverage is below 6:1 for four consecutive quarters and (ii) the ratio of the aggregate market value of our vessels to our outstanding indebtedness exceeds 125% for four consecutive quarters and provided that an event of default has not occurred and we are not, and after giving effect to the payment of the dividend, in breach of any covenant.

We have 15,000,000 outstanding warrants, which will expire on January 31, 2019, with an exercise price of $7.00 per share. We will not receive any cash upon exercise of the warrants as the warrants are only exercisable on a cashless basis.

Cash Flows

Net Cash Provided by Operating Activities

Net cash flows provided by operating activities increased by $41.3 million, to $124.6 million provided by operating activities in the six months ended June 30, 2015 compared to $83.3 million provided by operating activities in the six months ended June 30, 2014. The increase was mainly the result of a reduction in realized losses from derivatives of $29.6 million, reduced interest expense of $5.4 million, lower payments for dry-docking and special survey costs of $2.6 million and reduced total operating expenses of $2.5 million in the six months ended June 30, 2015 compared to the six months ended June 30, 2014.

Net Cash Provided by/(Used in) Investing Activities

Net cash flows (used in)/provided by investing activities decreased by $50.5 million, to $0.5 million used in investing activities in the six months ended June 30, 2015 compared to $50.0 million provided by investing activities in the six months ended June 30, 2014. The difference reflects nil net proceeds from sale of vessels in the six months ended June 30, 2015 compared to $50.6 million in the six months ended June 30, 2014 off-setting cash used for vessel additions of $0.5 million in the six months ended June 30, 2015 compared to $0.6 million in the six months ended June 30, 2014.

Net Cash Used in Financing Activities

Net cash flows used in financing activities decreased by $42.3 million, to $107.7 million used in financing activities in the six months ended June 30, 2015 compared to $150.0 million used in financing activities in the six months ended June 30, 2014. The decrease is mainly due to the movement in restricted cash of $43.7 million in the six months ended June 30, 2014 compared to no movement in the six months ended June 30, 2015.

Non-GAAP Financial Measures

We report our financial results in accordance with U.S. generally accepted accounting principles (GAAP). Management believes, however, that certain non-GAAP financial measures used in managing the business may provide users of this financial information additional meaningful comparisons between current results and results in prior operating periods. Management believes that these non-GAAP financial measures can provide additional meaningful reflection of underlying trends of the business because they provide a comparison of historical information that excludes certain items that impact the overall comparability. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating our performance. See the tables below for supplemental financial data and corresponding reconciliations to GAAP financial measures. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, our reported results prepared in accordance with GAAP.

EBITDA and Adjusted EBITDA

EBITDA represents net income before interest income and expense, taxes, depreciation, as well amortization of deferred drydocking & special survey costs, amortization of deferred realized losses of cash flow interest rate swaps, amortization of finance costs and finance costs accrued. Adjusted EBITDA represents net income before interest income and expense, taxes, depreciation, amortization of deferred drydocking & special survey costs, amortization of deferred realized losses of cash flow interest rate swaps, amortization of finance costs and finance costs accrued, unrealized (gain)/loss on derivatives, realized gain/(loss) on derivatives and gain/(loss) on sale of vessels. We believe that EBITDA and Adjusted EBITDA assist investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance and because they are used by certain investors to measure a company’s ability to service and/or incur indebtedness, pay capital expenditures and meet working capital requirements. EBITDA and Adjusted EBITDA are also used: (i) by prospective and current customers as well as potential lenders to evaluate potential transactions; and (ii) to evaluate and price potential acquisition candidates. Our EBITDA and Adjusted EBITDA may not be comparable to that reported by other companies due to differences in methods of calculation.

EBITDA and Adjusted EBITDA have limitations as analytical tools, and should not be considered in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. Some of these limitations are: (i) EBITDA/Adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs; and (ii) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and EBITDA/Adjusted EBITDA do not reflect any cash requirements for such capital expenditures. 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. Because of these limitations, EBITDA/Adjusted EBITDA should not be considered as principal indicators of our performance.

EBITDA and Adjusted EBITDA Reconciliation to Net Income

	Six Months ended June 30, 2015	Six Months ended June 30, 2014
	(In thousands)	
Net income	$ 68,414	$ 25,050
Depreciation	65,341	68,075
Amortization of deferred drydocking & special survey costs	2,056	2,157
Amortization of deferred realized losses of cash flow interest rate swaps	1,992	1,992
Amortization of finance costs	7,200	7,564
Finance costs accrued (Exit Fees under our Bank Agreement)	1,842	1,874
Interest income	(1,690)	(18)
Interest expense	35,916	41,259
EBITDA	**$ 181,071**	**$ 147,953**
(Gain)/loss on sale of vessels	—	(5,709)
Realized loss on derivatives	33,686	63,330
Unrealized gain on derivatives	(8,903)	(10,207)
Adjusted EBITDA	**$ 205,854**	**$ 195,367**

EBITDA and Adjusted EBITDA Reconciliation to Net Cash Provided by Operating Activities

	Six Months ended June 30, 2015	Six Months ended June 30, 2014
	(In thousands)	
Net cash provided by operating activities	$ 124,620	$ 83,317
Net increase/(decrease) in current and non-current assets	4,175	4,750
Net (increase)/decrease in current and non-current liabilities	7,930	(1,060)
Net interest	34,226	41,241
Payments for dry-docking and special survey costs deferred	1,217	3,789
Gain on sale of vessel	—	5,709
Unrealized gain on derivatives	8,903	10,207
EBITDA	**$ 181,071**	**$ 147,953**
(Gain)/loss on sale of vessel	—	(5,709)
Realized loss on derivatives	33,686	63,330
Unrealized gain on derivatives	(8,903)	(10,207)
Adjusted EBITDA	**$ 205,854**	**$ 195,367**

	Six Months ended June 30, 2015	Six Months ended June 30, 2014
	(In thousands)	
Net cash provided by operating activities	$ 124,620	$ 83,317
Net cash (used in)/provided by investing activities	(538)	50,039
Net cash used in financing activities	$ (107,677)	$ (150,003)

EBITDA increased by $33.1 million, to $181.1 million in the six months ended June 30, 2015, from $148.0 million in the six months ended June 30, 2014. The increase was mainly attributable to a $8.2 million increase in operating revenues, a $2.2 million decrease in vessel operating expenses, a $0.3 million decrease in voyage expenses, a $0.3 million decrease in other income and a $28.3 million decrease in unrealized and realized losses on derivatives in the six months ended June 30, 2015 compared to the six months ended June 30, 2014. The gain on sale of vessels of $5.7 million was recorded in the six months ended June 30, 2014 compared to a nil gain on sale of vessels recorded in the six months ended June 30, 2015.

Adjusted EBITDA increased by $10.5 million, to $205.9 million in the six months ended June 30, 2015, from $195.4 million in the six months ended June 30, 2014. The increase was mainly attributable to an $8.2 million increase in operating revenues, a $2.2 million decrease in vessel operating expenses, a $0.3 million decrease in voyage expenses and a $0.3 million decrease in other income in the six months ended June 30, 2015 compared to the six months ended June 30, 2014.

Credit Facilities

We, as borrower, and certain of our subsidiaries, as guarantors, have entered into a number of credit facilities in connection with financing the acquisition of certain vessels in our fleet, which are described in Note 12, Long-term Debt to our consolidated financial statements in our Annual Report on Form 20-F for the year ended December 31, 2014 filed with the Securities and Exchange Commission on March 10, 2015. The following table summarizes all our credit facilities:

Lender		**Outstanding Principal Amount (in millions)(1)**	**Collateral Vessels**
The Royal Bank of Scotland(2)	$	674.7	The *Hyundai Progress* , the *Hyundai Highway* , the *Hyundai Bridge* , the *Federal* , the *Zim Monaco* , the *Hanjin Buenos Aires* , the *Hanjin Versailles* , the *Hanjin Algeciras* , the *CMA CGM Racine* and the *CMA CGM Melisande*
Aegean Baltic Bank—HSH Nordbank—Piraeus Bank(3)	$	628.5	The *Hyundai Vladivostok* , the *Hyundai Advance* , the *Hyundai Stride* , the *Hyundai Future* , the *Hyundai Sprinter* , the *Amalia C* , the *MSC Zebra* , the *Danae C (ex Niledutch Palanca*),the *Dimitris C, the Performance* and *the Priority*
Credit Agricole	$	142.0	The *CMA CGM Moliere* and the *CMA CGM Musset*
Deutsche Bank	$	172.4	The *Zim Rio Grande* , the *Zim Sao Paolo* and the *OOCL Istanbul*
Credit Suisse	$	204.3	The *Zim Luanda* , the *CMA CGM Nerval* and the *YM Mandate*
ABN Amro—Lloyds TSB—National Bank of Greece	$	234.9	The *SNL Colombo* , the *YM Seattle* , the *YM Vancouver* and the *YM Singapore*
Commerzbank—Credit Suisse—Credit Agricole	$	267.3	The *OOCL Novorossiysk* , the *Hanjin Santos,* the *YM Maturity* , the *Hanjin Constantza* and the *CMA CGM Attila*
HSH Nordbank	$	25.5	The *Deva* and the *Derby D*
KEXIM	$	13.4	The *CSCL Europe* and the *CSCL America*
KEXIM-ABN Amro	$	51.2	The *CSCL Pusan* and the *CSCL Le Havre*
January 2011 Credit Facilities			
Aegean Baltic—HSH Nordbank—Piraeus Bank(3)	$	84.6	The *Hyundai Speed* , the *Hanjin Italy* and the *CMA CGM Rabelais*
RBS(2)	$	79.7	The *Hyundai Smart* and the *Hanjin Germany*
ABN Amro Club Facility	$	23.5	The *Hanjin Greece*
Club Facility	$	58.6	The *Hyundai Together* and the *Hyundai Tenacity*
Citi-Eurobank	$	67.1	The *Hyundai Ambition*
Sinosure-CEXIM-Citi-ABN Amro	$	132.2	The *CMA CGM Tancredi* , the *CMA CGM Bianca* and the *CMA CGM Samson*
Vendor Financing			
Hyundai Samho	$	35.7	Second priority liens on the *Hyundai Smart,* the *Hyundai Speed,* the *Hyundai Ambition* , the *Hyundai Together* , the *Hyundai Tenacity* , the *Hanjin Greece* , the *Hanjin Italy* and the *Hanjin Germany*

(1) As of June 30, 2015

(2) Pursuant to the Bank Agreement, this credit facility is also secured by a second priority lien on the *Derby D* , the *CSCL America* and the *CSCL Le Havre*

(3) Pursuant to the Bank Agreement, this credit facility is also secured by a second priority lien on the *Deva* , the *CSCL Europe* and the *CSCL Pusan*

As of June 30, 2015, there was no remaining borrowing availability under the Company's credit facilities. The Company was in compliance with all covenants under its Bank Agreement and its other credit facilities as of June 30, 2015.

On May 4, 2015, the preference shares of Auckland Marine Inc., Seacarriers Services Inc., Seacarriers Lines Inc. and Wellington Marine Inc. (subsidiaries of Danaos Corporation) were redeemed and all agreements related to the arrangement with ABN Amro and Investor Bank were terminated at that date. Refer to Note 12, Long-term Debt to our consolidated financial statements in our Annual Report on Form 20-F for the year ended December 31, 2014 filed with the Securities and Exchange Commission on March 10, 2015 for details of this arrangement. There were no other significant changes to the terms of the Company's credit facilities during the six months ended June 30, 2015.

For additional details regarding the Bank Agreement, the January 2011 Credit Facilities, the Sinosure-CEXIM Credit Facility and the Hyundai Samho Vendor Financing, please refer to "Item 5. Operating and Financial Review and Prospects" as well as Note 12, Long-term Debt to our consolidated financial statements in our Annual Report on Form 20-F for the year ended December 31, 2014 filed with the Securities and Exchange Commission on March 10, 2015.

Qualitative and Quantitative Disclosures about Market Risk

Interest Rate Swaps

We have entered into interest rate swap agreements converting floating interest rate exposure into fixed interest rates in order to hedge our exposure to fluctuations in prevailing market interest rates, as well as interest rate swap agreements converting the fixed rate we pay in connection with certain of our credit facilities into floating interest rates in order to economically hedge the fair value of the fixed rate credit facilities against fluctuations in prevailing market interest rates. We do not use financial instruments for trading or other speculative purposes.

On July 1, 2012, we elected to prospectively de-designate interest rate swaps for which we were obtaining hedge accounting treatment due to the compliance burden associated with this accounting policy. As a result, all changes in the fair value of our interest rate swap agreements are recorded in earnings under "Unrealized and Realized Losses on Derivatives" from the de-designation date forward. We evaluated whether it is probable that the previously hedged forecasted interest payments are probable to not occur in the originally specified time period. We have concluded that the previously hedged forecasted interest payments are probable of occurring. Therefore, unrealized gains or losses in accumulated other comprehensive loss associated with the previously designated cash flow interest rate swaps will remain in accumulated other comprehensive loss and recognized in earnings when the interest payments will be recognized. Furthermore, the fair value of the hedged item associated with the previously designated fair value interest rate swaps will be frozen and recognized in earnings when the interest payments will be recognized. If such interest payments were to be identified as being probable of not occurring, both the accumulated other comprehensive loss balance and the fair value of hedged debt balance pertaining to the respective amounts would be reversed through earnings immediately. Refer to Note 11, Financial Instruments, to our unaudited condensed consolidated financial statements included in this report.

Foreign Currency Exchange Risk

We did not enter into derivative instruments to hedge the foreign currency translation of assets or liabilities or foreign currency transactions during the three and six months ended June 30, 2015 and 2014.

Off-Balance Sheet Arrangements

We do not have any transactions, obligations or relationships that could be considered material off-balance sheet arrangements.

Capitalization and Indebtedness

The table below sets forth our consolidated capitalization as of June 30, 2015. As of the date of this filing, there have been no subsequent material changes to our capitalization and indebtedness. This table should be read in conjunction with our unaudited condensed consolidated financial statements and the notes thereto included in this report.

		As of June 30, 2015 (US Dollars in thousands)
Debt:		
Total debt	$	2,910,060
Stockholders' equity:		
Preferred stock, par value $0.01 per share; 100,000,000 preferred shares authorized and none issued		—
Common stock, par value $0.01 per share; 750,000,000 shares authorized; 109,778,188 shares issued and outstanding (1)		1,098
Additional paid-in capital		546,734
Accumulated other comprehensive loss		(116,262)
Retained earnings		348,473
Total stockholders' equity		780,043
Total capitalization	$	3,690,103

(1) Does not include 15 million warrants issued to purchase shares of common stock, at an exercise price of $7.00 per share, which we issued to lenders participating in our comprehensive financing plan. The warrants, which will expire on January 31, 2019, are exercisable solely on a cashless exercise basis.

Recent Developments

AGM Results

On July 24, 2015, at our annual meeting of stockholders, Dr. John Coustas was re-elected as Class I director and Mr. Myles R. Itkin was re-elected as Class I director, each for a three-year term expiring at the annual meeting of our stockholders in 2018. The Board of Directors was reduced to six directors as Dr. Robert A. Mundell did not stand for re-election at this annual meeting of stockholders. Our stockholders also ratified the appointment of PricewaterhouseCoopers S.A. as our independent auditors.

Forward Looking Statements

Matters discussed in this report may constitute forward-looking statements within the meaning of the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. 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 report are based upon various assumptions, many of which are based, in turn, upon further assumptions, including management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe 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, we 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 charterhire rates and vessel values, charter counterparty performance, ability to obtain financing and comply with covenants contained in our financing agreements, shipyard performance, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled drydocking, changes in our operating expenses, including bunker prices, dry-docking and insurance costs, 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 us with the U.S. Securities and Exchange Commission.

INDEX TO FINANCIAL STATEMENTS

DANAOS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of United States Dollars, except share amounts)

	Notes	As of June 30, 2015 (unaudited)	As of December 31, 2014
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		$ 74,135	$ 57,730
Restricted cash	3	2,824	2,824
Accounts receivable, net		5,183	7,904
Inventories		10,926	11,665
Prepaid expenses		980	713
Due from related parties		18,792	10,597
Other current assets	6	8,676	11,640
Total current assets		**121,516**	**103,073**
Fixed assets, net	4	3,559,535	3,624,338
Deferred charges, net	5	47,236	55,275
Other non-current assets	10b,6	70,345	68,506
Total non-current assets		**3,677,116**	**3,748,119**
Total assets		**$ 3,798,632**	**$ 3,851,192**
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable	7	$ 11,195	$ 12,510
Accrued liabilities	8	19,281	24,705
Current portion of long-term debt	10	230,249	178,116
Current portion of vendor financing	10	35,673	46,530
Unearned revenue		14,552	13,719
Other current liabilities	9,11a	22,346	52,502
Total current liabilities		**333,296**	**328,082**
LONG-TERM LIABILITIES			
Long-term debt, net of current portion	10	2,644,138	2,773,004
Vendor financing, net of current portion	10	—	17,837
Unearned revenue, net of current portion		27,435	30,412
Other long-term liabilities	9,11a	13,720	13,708
Total long-term liabilities		**2,685,293**	**2,834,961**
Total liabilities		**3,018,589**	**3,163,043**
Commitments and Contingencies	12	—	—
STOCKHOLDERS' EQUITY			
Preferred stock (par value $0.01, 100,000,000 preferred shares authorized and not issued as of June 30, 2015 and December 31, 2014)	13	—	—
Common stock (par value $0.01, 750,000,000 common shares authorized as of June 30, 2015 and December 31, 2014. 109,778,188 and 109,669,429 issued and outstanding as of June 30, 2015 and December 31, 2014, respectively)	13	1,098	1,097
Additional paid-in capital		546,734	546,735
Accumulated other comprehensive loss	11a	(116,262)	(139,742)
Retained earnings		348,473	280,059
Total stockholders' equity		**780,043**	**688,149**
Total liabilities and stockholders' equity		**$ 3,798,632**	**$ 3,851,192**

The accompanying notes are an integral part of these condensed consolidated financial statements.

DANAOS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (unaudited)
(Expressed in thousands of United States Dollars, except per share amounts)

	Notes	Three months ended June 30, 2015	Three months ended June 30, 2014	Six months ended June 30, 2015	Six months ended June 30, 2014
OPERATING REVENUES		$ 141,469	$ 136,440	$ 280,074	$ 271,926
OPERATING EXPENSES					
Voyage expenses		(3,161)	(3,245)	(6,218)	(6,520)
Vessel operating expenses		(29,570)	(28,903)	(56,893)	(59,149)
Depreciation	4	(32,853)	(34,132)	(65,341)	(68,075)
Amortization of deferred drydocking and special survey costs	5	(882)	(1,155)	(2,056)	(2,157)
General and administrative expenses		(5,381)	(5,309)	(10,651)	(10,702)
Gain on sale of vessels		—	5,216	—	5,709
Income From Operations		**69,622**	**68,912**	**138,915**	**131,032**
OTHER INCOME (EXPENSE)					
Interest income		850	3	1,690	18
Interest expense		(17,718)	(20,260)	(35,916)	(41,259)
Other finance costs		(4,674)	(4,922)	(9,535)	(9,913)
Other income (expense), net		28	233	35	287
Unrealized and realized losses on derivatives	11	(10,036)	(27,323)	(26,775)	(55,115)
Total Other Expenses, net		**(31,550)**	**(52,269)**	**(70,501)**	**(105,982)**
Net Income		**$ 38,072**	**$ 16,643**	**$ 68,414**	**$ 25,050**
EARNINGS PER SHARE					
Basic and diluted net income per share		$ 0.35	$ 0.15	$ 0.62	$ 0.23
Basic and diluted weighted average number of common shares	14	109,785	109,669	109,785	109,669

The accompanying notes are an integral part of these condensed consolidated financial statements.

DANAOS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (unaudited)
(Expressed in thousands of United States Dollars)

	Three months ended June 30,		Six months ended June 30,	
	2015	**2014**	**2015**	**2014**
Net income for the period	**$ 38,072**	**$ 16,643**	**$ 68,414**	**$ 25,050**
Other comprehensive income				
Amortization of deferred realized losses on cash flow hedges	1,001	1,002	1,992	1,992
Reclassification of unrealized losses to earnings	8,239	23,189	21,488	48,207
Total Other Comprehensive Income	**9,240**	**24,191**	**23,480**	**50,199**
Comprehensive Income	**$ 47,312**	**$ 40,834**	**$ 91,894**	**$ 75,249**

The accompanying notes are an integral part of these condensed consolidated financial statements.

DANAOS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)
(Expressed in thousands of United States Dollars)

	Six months ended June 30, 2015	Six months ended June 30, 2014
Cash Flows from Operating Activities		
Net income	$ 68,414	$ 25,050
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	65,341	68,075
Amortization of deferred drydocking and special survey costs	2,056	2,157
Amortization of finance costs	7,200	7,564
Exit fee accrued on debt	1,842	1,874
Payments for drydocking and special survey costs deferred	(1,217)	(3,789)
Gain on sale of vessels	—	(5,709)
Amortization of deferred realized losses on interest rate swaps	1,992	1,992
Unrealized gains on derivatives	(8,903)	(10,207)
(Increase)/Decrease in		
Accounts receivable	2,721	(705)
Inventories	739	3,176
Prepaid expenses	(267)	125
Due from related parties	(8,195)	995
Other assets, current and long-term	827	(8,341)
Increase/(Decrease) in		
Accounts payable	(1,315)	596
Accrued liabilities	(5,424)	(1,708)
Unearned revenue, current and long term	(2,144)	557
Other liabilities, current and long-term	953	1,615
Net Cash provided by Operating Activities	**124,620**	**83,317**
Cash Flows from Investing Activities		
Vessels additions	(538)	(563)
Net proceeds from sale of vessels	—	50,602
Net Cash (used in)/provided by Investing Activities	**(538)**	**50,039**
Cash Flows from Financing Activities		
Payments of long-term debt	(78,291)	(77,625)
Payments of vendor financing	(28,694)	(28,694)
Deferred finance costs	(692)	—
Increase of restricted cash	—	(43,684)
Net Cash used in Financing Activities	**(107,677)**	**(150,003)**
Net Increase/(Decrease) in Cash and Cash Equivalents	16,405	(16,647)
Cash and Cash Equivalents at beginning of period	57,730	68,153
Cash and Cash Equivalents at end of period	**$ 74,135**	**$ 51,506**

The accompanying notes are an integral part of these condensed consolidated financial statements.

1 Basis of Presentation and General Information

The accompanying condensed consolidated financial statements (unaudited) have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The reporting and functional currency of the Company is the United States Dollar.

Danaos Corporation ("Danaos"), formerly Danaos Holdings Limited, was formed on December 7, 1998 under the laws of Liberia and is presently the sole owner of all outstanding shares of the companies listed below. Danaos Holdings Limited was redomiciled in the Marshall Islands on October 7, 2005. In connection with the redomiciliation, the Company changed its name to Danaos Corporation. On October 14, 2005, the Company filed and the Marshall Islands accepted Amended and Restated Articles of Incorporation. The authorized capital stock of Danaos Corporation is 750,000,000 shares of common stock with a par value of $0.01 and 100,000,000 shares of preferred stock with a par value of $0.01. Refer to Note 13, Stockholders' Equity.

In the opinion of management, the accompanying condensed consolidated financial statements (unaudited) of Danaos and subsidiaries contain all adjustments necessary to present fairly, in all material respects, the Company's condensed consolidated financial position as of June 30, 2015, the condensed consolidated results of operations for the three and six months ended June 30, 2015 and 2014 and the condensed consolidated cash flows for the six months ended June 30, 2015 and 2014. All such adjustments are deemed to be of a normal, recurring nature. These financial statements should be read in conjunction with the consolidated financial statements and related notes included in Danaos' Annual Report on Form 20-F for the year ended December 31, 2014. The results of operations for the three and six months ended June 30, 2015, are not necessarily indicative of the results to be expected for the full year.

The year-end condensed consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America.

The Company's principal business is the acquisition and operation of vessels. Danaos conducts its operations through the vessel owning companies whose principal activity is the ownership and operation of containerships that are under the exclusive management of a related party of the Company.

The accompanying condensed consolidated financial statements (unaudited) represent the consolidation of the accounts of the Company and its wholly owned subsidiaries. The subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. Inter-company transaction balances and unrealized gains on transactions between the companies are eliminated.

The Company also consolidates entities that are determined to be variable interest entities as defined in the authoritative guidance under U.S. GAAP . A variable interest entity is defined as a legal entity where either (a) equity interest holders as a group lack the characteristics of a controlling financial interest, including decision making ability and an interest in the entity's residual risks and rewards, or (b) the equity holders have not provided sufficient equity investment to permit the entity to finance its activities without additional subordinated financial support, or (c) the voting rights of some investors are not proportional to their obligations to absorb the expected losses of the entity, their rights to receive the expected residual returns of the entity, or both and substantially all of the entity's activities either involve or are conducted on behalf of an investor that has disproportionately few voting rights.

The condensed consolidated financial statements (unaudited) have been prepared to reflect the consolidation of the companies listed below. The historical balance sheets and results of operations of the companies listed below have been reflected in the condensed consolidated balance sheets and condensed consolidated Statements of Income, cash flows and stockholders' equity at and for each period since their respective incorporation dates.

The consolidated companies are referred to as "Danaos," or "the Company."

As of June 30, 2015, Danaos included the vessel owning companies (the "Danaos Subsidiaries") listed below. All vessels are container vessels:

Company	Date of Incorporation	Vessel Name	Year Built	TEU(2)
Megacarrier (No. 1) Corp.	September 10, 2007	Hyundai Together	2012	13,100
Megacarrier (No. 2) Corp.	September 10, 2007	Hyundai Tenacity	2012	13,100
Megacarrier (No. 3) Corp.	September 10, 2007	Hyundai Smart	2012	13,100
Megacarrier (No. 4) Corp.	September 10, 2007	Hyundai Speed	2012	13,100
Megacarrier (No. 5) Corp.	September 10, 2007	Hyundai Ambition	2012	13,100
CellContainer (No. 6) Corp.	October 31, 2007	Hanjin Germany	2011	10,100
CellContainer (No. 7) Corp.	October 31, 2007	Hanjin Italy	2011	10,100
CellContainer (No. 8) Corp.	October 31, 2007	Hanjin Greece	2011	10,100
Karlita Shipping Co. Ltd.	February 27, 2003	CSCL Pusan	2006	9,580
Ramona Marine Co. Ltd.	February 27, 2003	CSCL Le Havre	2006	9,580
Teucarrier (No. 5) Corp.	September 17, 2007	CMA CGM Melisande	2012	8,530
Teucarrier (No. 1) Corp.	January 31, 2007	CMA CGM Attila	2011	8,530
Teucarrier (No. 2) Corp.	January 31, 2007	CMA CGM Tancredi	2011	8,530
Teucarrier (No. 3) Corp.	January 31, 2007	CMA CGM Bianca	2011	8,530
Teucarrier (No. 4) Corp.	January 31, 2007	CMA CGM Samson	2011	8,530
Oceanew Shipping Ltd.	January 14, 2002	CSCL Europe	2004	8,468
Oceanprize Navigation Ltd.	January 21, 2003	CSCL America	2004	8,468
Boxcarrier (No. 2) Corp.	June 27, 2006	CMA CGM Musset(1)	2010	6,500
Boxcarrier (No. 3) Corp.	June 27, 2006	CMA CGM Nerval(1)	2010	6,500
Boxcarrier (No. 4) Corp.	June 27, 2006	CMA CGM Rabelais(1)	2010	6,500
Boxcarrier (No. 5) Corp.	June 27, 2006	CMA CGM Racine(1)	2010	6,500
Boxcarrier (No. 1) Corp.	June 27, 2006	CMA CGM Moliere(1)	2009	6,500
Expresscarrier (No. 1) Corp.	March 5, 2007	YM Mandate	2010	6,500
Expresscarrier (No. 2) Corp.	March 5, 2007	YM Maturity	2010	6,500
Actaea Company Limited	October 14, 2014	Performance	2002	6,402
Asteria Shipping Company Limited	October 14, 2014	Priority	2002	6,402
Federal Marine Inc.	February 14, 2006	Federal	1994	4,651
Auckland Marine Inc.	January 27, 2005	SNL Colombo	2004	4,300
Wellington Marine Inc.	January 27, 2005	YM Singapore	2004	4,300
Continent Marine Inc.	March 22, 2006	Zim Monaco	2009	4,253
Medsea Marine Inc.	May 8, 2006	OOCL Novorossiysk	2009	4,253
Blacksea Marine Inc.	May 8, 2006	Zim Luanda	2009	4,253
Bayview Shipping Inc.	March 22, 2006	Zim Rio Grande	2008	4,253
Channelview Marine Inc.	March 22, 2006	Zim Sao Paolo	2008	4,253
Balticsea Marine Inc.	March 22, 2006	OOCL Istanbul	2008	4,253
Seacarriers Services Inc.	June 28, 2005	YM Seattle	2007	4,253
Seacarriers Lines Inc.	June 28, 2005	YM Vancouver	2007	4,253
Containers Services Inc.	May 30, 2002	Deva	2004	4,253
Containers Lines Inc.	May 30, 2002	Derby D	2004	4,253
Boulevard Shiptrade S.A.	September 12, 2013	Dimitris C	2001	3,430
CellContainer (No. 4) Corp.	March 23, 2007	Hanjin Algeciras	2011	3,400
CellContainer (No. 5) Corp.	March 23, 2007	Hanjin Constantza	2011	3,400
CellContainer (No. 1) Corp.	March 23, 2007	Hanjin Buenos Aires	2010	3,400
CellContainer (No. 2) Corp.	March 23, 2007	Hanjin Santos	2010	3,400
CellContainer (No. 3) Corp.	March 23, 2007	Hanjin Versailles	2010	3,400
Vilos Navigation Company Ltd.	May 30, 2013	MSC Zebra	2001	2,602
Trindade Maritime Company	April 10, 2013	Amalia C	1998	2,452
Sarond Shipping Inc.	January 18, 2013	Danae C (ex Niledutch Palanca)	2001	2,524
Speedcarrier (No. 7) Corp.	December 6, 2007	Hyundai Highway	1998	2,200
Speedcarrier (No. 6) Corp.	December 6, 2007	Hyundai Progress	1998	2,200
Speedcarrier (No. 8) Corp.	December 6, 2007	Hyundai Bridge	1998	2,200
Speedcarrier (No. 1) Corp.	June 28, 2007	Hyundai Vladivostok	1997	2,200
Speedcarrier (No. 2) Corp.	June 28, 2007	Hyundai Advance	1997	2,200
Speedcarrier (No. 3) Corp.	June 28, 2007	Hyundai Stride	1997	2,200
Speedcarrier (No. 5) Corp.	June 28, 2007	Hyundai Future	1997	2,200
Speedcarrier (No. 4) Corp.	June 28, 2007	Hyundai Sprinter	1997	2,200

(1) Vessel subject to charterer's option to purchase vessel after first eight years of time charter term for $78.0 million.
(2) Twenty-foot equivalent unit, the international standard measure for containers and containership capacity.

2 Significant Accounting Policies

All accounting policies are as described in the Company's Annual Report on Form 20-F for the year ended December 31, 2014 filed with the Securities and Exchange Commission on March 10, 2015.

Recent Accounting Pronouncements

In April 2015, the FASB issued Accounting Standards Update No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs," ("ASU 2015-03"). ASU 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The amendments are effective for annual periods ending after December 15, 2015, and interim periods within annual periods beginning after December 15, 2015. Early application is permitted. The Company is not early adopting this standard and is currently assessing the impact that adopting this new accounting guidance will have on its consolidated financial statements and footnotes disclosures.

In April, the FASB voted to propose a deferral of the effective date of the new revenue standard, ASU 2014-09, "Revenue from Contracts with Customers", by one year. The new guidance would be effective for fiscal years beginning after December 15, 2017 instead of December 15, 2016. Entities are permitted to adopt the new standard in accordance with the original effective date in their option. We are currently evaluating the new guidance to determine the impact it will have on our consolidated financial statements.

3 Restricted Cash

The Company was required to maintain cash of $2.8 million as of June 30, 2015 and as of December 31, 2014 in a retention bank account as a collateral for the upcoming scheduled debt payments of its KEXIM and KEXIM-ABN Amro credit facilities, which were recorded under current assets in the Company's Balance Sheets.

4 Fixed assets, net

Fixed assets consist of vessels. Vessels' cost, accumulated depreciation and changes thereto were as follows (in thousands):

	Vessel Cost	Accumulated Depreciation	Net Book Value
As of January 1, 2014	**$ 4,450,719**	**$ (608,102)**	**$ 3,842,617**
Additions	39,165	(137,061)	(97,896)
Disposals	(120,376)	75,769	(44,607)
Impairment Loss	(75,776)	—	(75,776)
As of December 31, 2014	**4,293,732**	**(669,394)**	**3,624,338**
Additions	538	(65,341)	(64,803)
As of June 30, 2015	**$ 4,294,270**	**$ (734,735)**	**$ 3,559,535**

During the year ended December 31, 2014, the Company recorded an impairment loss of $75.8 million in relation to eight of its older vessels. Fair value of each vessel was determined by management with the assistance from valuations obtained by third party independent shipbrokers.

4 Fixed assets, net (continued)

The residual value (estimated scrap value at the end of the vessels' useful lives) of the fleet was estimated at $386.4 million as of June 30, 2015 and as of December 31, 2014. The Company has calculated the residual value of the vessels taking into consideration the 10 year average and the 5 year average of the scrap. The Company has applied uniformly the scrap value of $300 per ton for all vessels. The Company believes that $300 per ton is a reasonable estimate of future scrap prices, taking into consideration the cyclicality of the nature of future demand for scrap steel. Although the Company believes that the assumptions used to determine the scrap rate are reasonable and appropriate, such assumptions are highly subjective, in part, because of the cyclical nature of future demand for scrap steel.

5 Deferred Charges, net

Deferred charges, net consisted of the following (in thousands):

	Drydocking and Special Survey Costs	Finance and Other Costs	Total Deferred Charges
As of January 1, 2014	**$ 4,041**	**$ 63,908**	**$ 67,949**
Additions	6,887	182	7,069
Written off amounts	(286)	(55)	(341)
Amortization	(4,387)	(15,015)	(19,402)
As of December 31, 2014	**6,255**	**49,020**	**55,275**
Additions	1,217	—	1,217
Amortization	(2,056)	(7,200)	(9,256)
As of June 30, 2015	**$ 5,416**	**$ 41,820**	**$ 47,236**

The Company follows the deferral method of accounting for drydocking and special survey costs in accordance with accounting for planned major maintenance activities, whereby actual costs incurred are deferred and amortized on a straight-line basis over the period until the next scheduled survey, which is two and a half years. If special survey or drydocking is performed prior to the scheduled date, the remaining unamortized balances are immediately written off. Furthermore, when a vessel is drydocked for more than one reporting period, the respective costs are identified and recorded in the period in which they were incurred and not at the conclusion of the drydocking.

6 Other Current and Non-current Assets

Other current assets consisted of the following (in thousands):

	As of June 30, 2015	As of December 31, 2014
Claims receivable	$ 5,949	$ 7,856
Other assets	2,727	3,784
Total	**$ 8,676**	**$ 11,640**

As of June 30, 2015 and December 31, 2014, claims receivable consists of insurance and other claims. As of June 30, 2015 and December 31, 2014, the Company had an outstanding claim receivable of $3.9 million and $7.0 million, respectively, in relation to a collision incident of the Hanjin Italy outside Singapore.

6 Other Current and Non-current Assets (continued)

Other non-current assets consisted of the following (in thousands):

	As of June 30, 2015	As of December 31, 2014
Fair value of swaps	$ 366	$ 664
Series 1 ZIM notes, net	6,427	6,274
Series 2 ZIM notes, net	31,700	30,923
Equity participation ZIM	28,693	28,693
Other assets	3,159	1,952
Total	**$ 70,345**	**$ 68,506**

As of July 16, 2014, ZIM and its creditors entered into definitive documentation effecting ZIM's restructuring with its creditors on substantially the same terms as the agreement in principle previously announced by ZIM in January 2014. The terms of the restructuring include a reduction in the charter rates payable by ZIM under its time charters, expiring in 2020 or 2021, for six of the Company's vessels, which had already been implemented beginning in January 2014. The terms also include the receipt of approximately $49.9 million aggregate principal amount of unsecured, interest bearing ZIM notes maturing in 2023 (consisting of $8.8 million of 3% Series 1 Notes due 2023 amortizing subject to available cash flow in accordance with a corporate cash sweep mechanism, and $41.1 million of 5% Series 2 Notes due 2023 non-amortizing (of the 5% interest rate, 3% is payable quarterly in cash and 2% is accrued quarterly with deferred cash payment on maturity)) and ZIM shares representing approximately 7.4% of the outstanding ZIM shares immediately after the restructuring, in exchange for such charter rate reductions and cancellation of ZIM's other obligations to the Company which related to the outstanding long term receivable as of December 31, 2013.

As of July 16, 2014, the Company calculated the fair value of the instruments received from ZIM based on the agreement discussed above, other available information on ZIM, other contracts with similar terms, remaining maturities and interest rates and recorded at fair value an amount of $6.1 million in relation to the Series 1 Notes, $30.1 million in relation to the Series 2 Notes and $28.7 million in relation to its equity participation in ZIM. On a quarterly basis, the Company will account for the fair value unwinding of the Series 1 Notes and Series 2 Notes until the value of the instruments equals their face values on maturity. As of June 30, 2015 and December 31, 2014, the Company recorded $6.4 million and $6.3 million in relation to the Series 1 Notes and $31.7 million and $30.9 million in relation to the Series 2 Notes, respectively and recognized $0.5 million and $0.6 million in relation to their fair value unwinding in the condensed consolidated Statements of Income in "Interest income" for the six months ended June 30, 2015 and for the year ended December 31, 2014. Furthermore, for the six months ended June 30, 2015 and for the year ended December 31, 2014, the Company recognized in the condensed consolidated Statements of Income in "Interest income", a non-cash interest income of $0.4 million and $0.4 million, respectively, in relation to the 2% interest of Series 2 Notes, which is accrued quarterly with deferred cash payment on maturity. The Company will test periodically for impairment of these investments based on the existence of triggering events that indicate ZIM's debt instruments and interest in equity may have been impaired.

Furthermore, as of July 16, 2014, an amount of $39.1 million, which represents the additional compensation received from ZIM, was recorded as unearned revenue representing compensation to the Company for the future reductions in the daily charter rates payable by ZIM under its time charters, expiring in 2020 or 2021, for six of the Company's vessels. This amount is recognized in the condensed consolidated Statements of Income in "Operating revenues" over the remaining life of the respective time charters. During the six months ended June 30, 2015 and the year ended December 31, 2014, the Company recorded an amount of $3.0 million and $2.7, million, respectively of unearned revenue amortization in "Operating revenues". As of June 30, 2015, the outstanding balances of the current and non-current portion of unearned revenue in relation to ZIM amounted to $6.0 million and $27.4 million, respectively. As of December 31, 2014, the corresponding outstanding balances of the current and non-current portion of unearned revenue amounted to $6.0 million and $30.4 million, respectively. Refer to No **t** es 11c, Financial Instruments- Fair value of Financial Instruments.

In respect to the fair value of swaps, refer to Note 11b, Financial Instruments—Fair Value Interest Rate Swap Hedges.

7 Accounts Payable

Accounts payable consisted of the following (in thousands):

	As of June 30, 2015	As of December 31, 2014
Suppliers, repairers	$ 8,394	$ 8,613
Insurers, agents, brokers	1,448	1,843
Other creditors	1,353	2,054
Total	**$ 11,195**	**$ 12,510**

8 Accrued Liabilities

Accrued liabilities consisted of the following (in thousands):

	As of June 30, 2015	As of December 31, 2014
Accrued payroll	$ 1,643	$ 1,175
Accrued interest	9,073	9,457
Accrued expenses	8,565	14,073
Total	**$ 19,281**	**$ 24,705**

Accrued expenses mainly consisted of accrued realized losses on cash flow interest rate swaps of $5.1 million and $10.4 million as of June 30, 2015 and December 31, 2014, respectively, as well as other accruals related to the operation of the Company's fleet of $3.5 million and $3.7 million as of June 30, 2015 and December 31, 2014, respectively.

9 Other Current and Long-term Liabilities

Other current liabilities consisted of the following (in thousands):

	As of June 30, 2015	As of December 31, 2014
Fair value of swaps	$ 21,556	$ 51,022
Other current liabilities	790	1,480
Total	**$ 22,346**	**$ 52,502**

Other long-term liabilities consisted of the following (in thousands):

	As of June 30, 2015	As of December 31, 2014
Fair value of swaps	$ 1,459	$ 2,398
Other long-term liabilities	12,261	11,310
Total	**$ 13,720**	**$ 13,708**

In respect of the fair value of swaps, refer to Note 11a, Financial Instruments — Cash Flow Interest Rate Swap Hedges.

10 Long -Term Debt

Long-term debt consisted of the following (in thousands):

Lender	As of June 30, 2015	Current portion	Long-term portion	As of December 31, 2014	Current portion	Long-term portion
The Royal Bank of Scotland	$ **674,687**	$ 20,473	$ 654,214	$ **678,954**	$ 12,657	$ 666,297
HSH Nordbank AG-Aegean Baltic Bank-Piraeus Bank	**628,513**	142	628,371	**628,513**	—	628,513
HSH Nordbank	**25,550**	8,787	16,763	**28,843**	7,633	21,210
The Export-Import Bank of Korea (“KEXIM”)	**13,389**	10,369	3,020	**18,573**	10,369	8,204
The Export-Import Bank of Korea & ABN Amro	**51,234**	11,250	39,984	**56,859**	11,250	45,609
Deutsche Bank	**172,416**	4,995	167,421	**174,709**	4,786	169,923
Canyon Capital Finance	**141,971**	12,033	129,938	**144,467**	8,228	136,239
Credit Suisse	**204,299**	11,276	193,023	**208,585**	9,328	199,257
ABN Amro-Bank of America Merrill Lynch-Burlington Loan Management-National Bank of Greece	**234,921**	14,074	220,847	**239,896**	11,422	228,474
Commerzbank-Credit Suisse- Credit Agricole	**267,298**	20,955	246,343	**274,984**	17,327	257,657
The Royal Bank of Scotland (January 2011 Credit Facility)	**79,680**	24,032	55,648	**85,017**	15,326	69,691
HSH Nordbank AG-Aegean Baltic Bank-Piraeus Bank (January 2011 Credit Facility)	**84,588**	31,607	52,981	**94,812**	22,476	72,336
ABN Amro-Bank of America Merrill Lynch-Burlington Loan Management -National Bank of Greece (January 2011 Credit Facility)	**23,514**	11,186	12,328	**26,444**	6,371	20,073
Sinosure CEXIM-Citi-ABN Amro Credit Facility	**132,210**	20,340	111,870	**142,380**	20,340	122,040
Club Facility (January 2011 Credit Facility)	**58,586**	18,761	39,825	**65,457**	14,773	50,684
Citi—Eurobank Credit Facility (January 2011 Credit Facility)	**67,105**	9,969	57,136	**69,759**	5,830	63,929
Comprehensive Financing Plan exit fee accrued	**13,704**	—	13,704	**11,862**	—	11,862
Fair value hedged debt	**722**	—	722	**1,006**	—	1,006
Total long-term debt	**$ 2,874,387**	**$ 230,249**	**$ 2,644,138**	**$ 2,951,120**	**$ 178,116**	**$ 2,773,004**
Hyundai Samho Vendor Financing	**$ 35,673**	**$ 35,673**	**$ —**	**$ 64,367**	**$ 46,530**	**$ 17,837**

All floating rate loans discussed above are collateralized by first and second preferred mortgages over the vessels financed, general assignment of all hire freights, income and earnings, the assignment of their insurance policies, as well as any proceeds from the sale of mortgaged vessels and the corporate guarantee of Danaos Corporation.

Maturities of long-term debt for the next five years and thereafter subsequent to June 30, 2015, are as follows (in thousands):

Payment due by period ended	Fixed principal repayments	Variable principal payments	Final Payment due on December 31, 2018*	Total principal payments
June 30, 2016	$ 168,810	$ 61,439	$ —	**$ 230,249**
June 30, 2017	192,367	109,293	—	**301,660**
June 30, 2018	170,538	121,886	—	**292,424**
June 30, 2019	127,556	21,256	1,835,966	**1,984,778**
June 30, 2020 and thereafter	50,850	—	—	**50,850**
Total long-term debt	**$ 710,121**	**$ 313,874**	**$ 1,835,966**	**$ 2,859,961**

* The last payment due on December 31, 2018, includes the unamortized remaining principal debt balances under the restructuring agreement, as such amount will be determinable following the fixed and variable amortization.

10 Long -Term Debt (continued)

On May 4, 2015, the preference shares of Auckland Marine Inc., Seacarriers Services Inc., Seacarriers Lines Inc. and Wellington Marine Inc. (subsidiaries of Danaos Corporation) were redeemed and all agreements related to the arrangement with ABN Amro and Investor Bank were terminated at that date. Refer to Note 12, Long-term Debt to our consolidated financial statements in our Annual Report on Form 20-F for the year ended December 31, 2014 for details of this arrangement. There were no other significant changes to the terms of the Company's credit facilities during the six months ended June 30, 2015.

As of June 30, 2015, there was no remaining borrowing availability under the Company's credit facilities. The Company was in compliance with all covenants under its Bank Agreement and its other credit facilities as of June 30, 2015.

11 Financial Instruments

The principal financial assets of the Company consist of cash and cash equivalents, trade receivables and other assets. The principal financial liabilities of the Company consist of long-term bank loans, accounts payable and derivatives.

Derivative Financial Instruments: The Company only uses derivatives for economic hedging purposes. The following is a summary of the Company's risk management strategies and the effect of these strategies on the Company's condensed consolidated financial statements.

Interest Rate Risk: Interest rate risk arises on bank borrowings. The Company monitors the interest rate on borrowings closely to ensure that the borrowings are maintained at favorable rates.

Concentration of Credit Risk: Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash, trade accounts receivable and derivatives. The Company places its temporary cash investments, consisting mostly of deposits, with established financial institutions. The Company performs periodic evaluations of the relative credit standing of those financial institutions that are considered in the Company's investment strategy. The Company is exposed to credit risk in the event of non-performance by counterparties to derivative instruments, however, the Company limits this exposure by diversifying among counterparties with high credit ratings. The Company depends upon a limited number of customers for a large part of its revenues. Credit risk with respect to trade accounts receivable is generally managed by the selection of customers among the major liner companies in the world and their dispersion across many geographic areas. The Company's maximum exposure to credit risk is mainly limited to the carrying value of its derivative instruments. The Company is not a party to master netting arrangements.

Fair Value: The carrying amounts reflected in the accompanying condensed consolidated balance sheets of financial assets and liabilities excluding long-term bank loans approximate their respective fair values due to the short maturity of these instruments. The fair values of long-term floating rate bank loans approximate the recorded values, generally due to their variable interest rates. The fair value of the swap agreements equals the amount that would be paid by the Company to cancel the swaps.

Interest Rate Swaps: The off-balance sheet risk in outstanding swap agreements involves both the risk of a counter-party not performing under the terms of the contract and the risk associated with changes in market value. The Company monitors its positions, the credit ratings of counterparties and the level of contracts it enters into with any one party. The counterparties to these contracts are major financial institutions. The Company has a policy of entering into contracts with parties that meet stringent qualifications and, given the high level of credit quality of its derivative counter-parties, the Company does not believe it is necessary to obtain collateral arrangements.

11 Financial Instruments (continued)

a. Cash Flow Interest Rate Swap Hedges

The Company, according to its long-term strategic plan to maintain relative stability in its interest rate exposure, has decided to swap part of its interest expense from floating to fixed. To this effect, the Company has entered into interest rate swap transactions with varying start and maturity dates, in order to pro-actively and efficiently manage its floating rate exposure.

These interest rate swaps are designed to economically hedge the variability of interest cash flows arising from floating rate debt, attributable to movements in three month USD$ LIBOR. According to the Company's Risk Management Accounting Policy, and after putting in place the formal documentation required by hedge accounting in order to designate these swaps as hedging instruments, as from their inception, these interest rate swaps qualified for hedge accounting, and, accordingly, from that time until June 30, 2012, only hedge ineffectiveness amounts arising from the differences in the change in fair value of the hedging instrument and the hedged item were recognized in the Company's earnings. Assessment and measurement of prospective and retrospective effectiveness for these interest rate swaps were performed on a quarterly basis. For qualifying cash flow hedges, the fair value gain or loss associated with the effective portion of the cash flow hedge was recognized initially in stockholders' equity, and recognized to the Statement of Income in the periods when the hedged item affects profit or loss.

On July 1, 2012, the Company elected to prospectively de designate cash flow interest rate swaps for which it was obtaining hedge accounting treatment due to the compliance burden associated with this accounting policy. As a result, all changes in the fair value of the Company's cash flow interest rate swap agreements are recorded in earnings under "Unrealized and Realized Losses on Derivatives" from the de designation date forward. The Company evaluated whether it is probable that the previously hedged forecasted interest payments are probable to not occur in the originally specified time period. The Company has concluded that the previously hedged forecasted interest payments are probable of occurring. Therefore, unrealized gains or losses in accumulated other comprehensive loss associated with the previously designated cash flow interest rate swaps will remain in accumulated other comprehensive loss and recognized in earnings when the interest payments will be recognized. If such interest payments were to be identified as being probable of not occurring, the accumulated other comprehensive loss balance pertaining to these amounts would be reversed through earnings immediately.

The interest rate swap agreements converting floating interest rate exposure into fixed were as follows (in thousands):

Counter-party	Contract Trade Date	Effective Date	Termination Date	Notional Amount on Effective Date	Fixed Rate (Danaos pays)	Floating Rate (Danaos receives)	Fair Value June 30, 2015	Fair Value December 31, 2014
RBS	03/09/2007	3/15/2010	3/15/2015	$ 200,000	5.07% p.a.	USD LIBOR 3M BBA	—	$ (2,011)
RBS	11/15/2007	11/19/2010	11/19/2015	$ 100,000	5.12% p.a.	USD LIBOR 3M BBA	$ (1,896)	(4,246)
RBS	11/16/2007	11/22/2010	11/22/2015	$ 100,000	5.07% p.a.	USD LIBOR 3M BBA	(1,927)	(4,248)
CITI	04/17/2007	4/17/2008	4/17/2015	$ 200,000	5.124% p.a.	USD LIBOR 3M BBA	—	(2,895)
CITI	04/20/2007	4/20/2010	4/20/2015	$ 200,000	5.1775% p.a.	USD LIBOR 3M BBA	—	(3,008)
CITI	11/02/2007	11/6/2010	11/6/2015	$ 250,000	5.1% p.a.	USD LIBOR 3M BBA	(4,296)	(10,167)
CITI	11/26/2007	11/29/2010	11/30/2015	$ 100,000	4.98% p.a.	USD LIBOR 3M BBA	(1,979)	(4,249)
CITI	02/07/2008	2/11/2011	2/11/2016	$ 200,000	4.695% p.a.	USD LIBOR 3M BBA	(5,422)	(9,524)
Eurobank	12/06/2007	12/10/2010	12/10/2015	$ 200,000	4.8125% p.a.	USD LIBOR 3M BBA	(4,048)	(8,428)
Eurobank	02/11/2008	5/31/2011	5/31/2015	$ 200,000	4.755% p.a.	USD LIBOR 3M BBA	—	(3,763)
							$ (19,568)	$ (52,539)
ABN Amro	06/06/2013	1/4/2016	12/31/2016	$ 325,000	1.4975% p.a.	USD LIBOR 3M BBA	$ (1,379)	$ (617)
ABN Amro	31/05/2013	1/4/2016	12/31/2016	$ 250,000	1.4125% p.a.	USD LIBOR 3M BBA	(2,068)	(264)
Total fair value of swap liabilities							**$ (23,015)**	**$ (53,420)**

The Company recorded in the condensed consolidated Statements of Income unrealized gains of $30.4 million and $58.6 million in relation to fair value changes of interest rate swaps for the six months ended June 30, 2015 and 2014, respectively. Furthermore, unrealized losses of $21.5 million and $48.2 million were reclassified from Accumulated Other Comprehensive Loss to earnings for the six months ended June 30, 2015 and 2014, respectively (following the hedge accounting discontinuance as of July 1, 2012). The Company expects to reclassify from Accumulated Other Comprehensive Loss to earnings within the next twelve months unrealized losses of $11.3 million.

11 Financial Instruments (continued)

The variable-rate interest on specific borrowings was associated with vessels under construction and was capitalized as a cost of the specific vessels. In accordance with the accounting guidance on derivatives and hedging, the amounts in accumulated other comprehensive income/(loss) related to realized gains or losses on cash flow hedges that have been entered into and qualify for hedge accounting, in order to hedge the variability of that interest, were classified under other comprehensive income/(loss) and are reclassified into earnings over the depreciable life of the constructed asset, since that depreciable life coincides with the amortization period for the capitalized interest cost on the debt. An amount of $2.0 million was reclassified into earnings for the six months ended June 30, 2015 and 2014, respectively, representing its amortization over the depreciable life of the vessels.

	Three months ended June 30, 2015	Three months ended June 30, 2014
	(in millions)	
Total realized losses	$ (13.7)	$ (31.0)
Amortization of deferred realized losses	(1.0)	(1.0)
Unrealized gains	4.5	4.6
Unrealized and realized losses on cash flow interest rate swaps	**$ (10.2)**	**$ (27.4)**

	Six months ended June 30, 2015	Six months ended June 30, 2014
	(in millions)	
Total realized losses	$ (34.0)	$ (63.8)
Amortization of deferred realized losses	(2.0)	(2.0)
Unrealized gains	8.9	10.4
Unrealized and realized losses on cash flow interest rate swaps	**$ (27.1)**	**$ (55.4)**

b. Fair Value Interest Rate Swap Hedges

These interest rate swaps are designed to economically hedge the fair value of the fixed rate loan facilities against fluctuations in the market interest rates by converting the Company’s fixed rate loan facilities to floating rate debt. Pursuant to the adoption of the Company’s Risk Management Accounting Policy, and after putting in place the formal documentation required by hedge accounting in order to designate these swaps as hedging instruments, as of June 15, 2006, these interest rate swaps qualified for hedge accounting, and, accordingly, from that time until June 30, 2012, hedge ineffectiveness amounts arising from the differences in the change in fair value of the hedging instrument and the hedged item were recognized in the Company’s earnings. The Company considered its strategic use of interest rate swaps to be a prudent method of managing interest rate sensitivity, as it prevented earnings from being exposed to undue risk posed by changes in interest rates. Assessment and measurement of prospective and retrospective effectiveness for these interest rate swaps was performed on a quarterly basis, on the financial statement and earnings reporting dates.

On July 1, 2012, the Company elected to prospectively de-designate fair value interest rate swaps for which it was applying hedge accounting treatment due to the compliance burden associated with this accounting policy. All changes in the fair value of the Company’s fair value interest rate swap agreements continue to be recorded in earnings under “Unrealized and Realized Losses on Derivatives” from the de-designation date forward.

The Company evaluated whether it is probable that the previously hedged forecasted interest payments will not occur in the originally specified time period. The Company has concluded that the previously hedged forecasted interest payments continue to be probable of occurring. Therefore, the fair value of the hedged item associated with the previously designated fair value interest rate swaps will be frozen and recognized in earnings when the interest payments are recognized. If such interest payments were to be identified as being probable of not occurring, the fair value of hedged debt balance pertaining to these amounts would be reversed through earnings immediately.

11 Financial Instruments (continued)

The interest rate swap agreements converting fixed interest rate exposure into floating were as follows (in thousands):

Counter party	Contract trade Date	Effective Date	Termination Date	Notional Amount on Effective Date	Fixed Rate (Danaos receives)	Floating Rate (Danaos pays)	Fair Value June 30, 2015	Fair Value December 31, 2014
RBS	11/15/2004	12/15/2004	8/27/2016	$ 60,528	5.0125% p.a.	USD LIBOR 3M BBA + 0.835% p.a.	$ 160	$ 302
RBS	11/15/2004	11/17/2004	11/2/2016	$ 62,342	5.0125% p.a.	USD LIBOR 3M BBA + 0.855% p.a.	206	362
Total fair value							**$ 366**	**$ 664**

The total fair value change of the interest rate swaps amounted to $0.3 million loss and $0.5 million loss for the six months ended June 30, 2015 and 2014, respectively and are included in the condensed consolidated Statements of Income under “Unrealized and realized loss on derivatives”. The related asset of $0.4 million and $0.7 million is presented under “Other non-current assets” in the condensed consolidated balance sheet as of June 30, 2015 and December 31, 2014, respectively. The Company reclassified from “Long-term debt, net of current portion”, where its fair value of hedged item was recorded, to its earnings unrealized gains of $0.3 million for the six months ended June 30, 2015 and 2014 (following the hedge accounting discontinuance as of July 1, 2012).

	Three months ended June 30, 2015	Three months ended June 30, 2014
	(in millions)	
Unrealized losses on swap asset	$ (0.1)	$ (0.2)
Reclassification of fair value of hedged debt to Statement of Income	0.1	0.1
Realized gains	0.1	0.2
Unrealized and realized gains on fair value interest rate swaps	**$ 0.1**	**$ 0.1**

	Six months ended June 30, 2015	Six months ended June 30, 2014
	(in millions)	
Unrealized losses on swap asset	$ (0.3)	$ (0.5)
Reclassification of fair value of hedged debt to Statement of Income	0.3	0.3
Realized gains	0.3	0.5
Unrealized and realized gains on fair value interest rate swaps	**$ 0.3**	**$ 0.3**

c. Fair Value of Financial Instruments

The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value.

Level I: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets that we have the ability to access. Valuation of these items does not entail a significant amount of judgment.

Level II: Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.

Level III: Inputs that are unobservable. The Company did not use any Level 3 inputs as of June 30, 2015 and December 31, 2014.

11 Financial Instruments (continued)

The following tables present the Company’s assets and liabilities that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy.

	Fair Value Measurements as of June 30, 2015			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in thousands of $)			
Assets				
Interest rate swap contracts	$ 366	—	$ 366	—
Liabilities				
Interest rate swap contracts	$ 23,015	—	$ 23,015	—

	Fair Value Measurements as of December 31, 2014			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in thousands of $)			
Assets				
Interest rate swap contracts	$ 664	—	$ 664	—
Liabilities				
Interest rate swap contracts	$ 53,420	—	$ 53,420	—

Interest rate swap contracts are measured at fair value on a recurring basis. Fair value is determined based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets. Such instruments are typically classified within Level 2 of the fair value hierarchy. The fair values of the interest rate swap contracts have been calculated by discounting the projected future cash flows of both the fixed rate and variable rate interest payments. Projected interest payments are calculated using the appropriate prevailing market forward rates and are discounted using the zero-coupon curve derived from the swap yield curve. Refer to Note 11(a)-(b) above for further information on the Company’s interest rate swap contracts.

The Company is exposed to credit-related losses in the event of nonperformance of its counterparties in relation to these financial instruments. As of June 30, 2015 , these financial instruments are in the counterparties’ favor. The Company has considered its risk of non-performance and of its counterparties in accordance with the relevant guidance of fair value accounting. The Company performs evaluations of its counterparties for credit risk through ongoing monitoring of their financial health and risk profiles to identify risk or changes in their credit ratings.

11 Financial Instruments (continued)

The estimated fair values of the Company's financial instruments are as follows:

	As of June 30, 2015		As of December 31, 2014	
	Book Value	Fair Value	Book Value	Fair Value
	(in thousands of $)			
Cash and cash equivalents	$ 74,135	$ 74,135	$ 57,730	$ 57,730
Restricted cash	$ 2,824	$ 2,824	$ 2,824	$ 2,824
Accounts receivable, net	$ 5,183	$ 5,183	$ 7,904	$ 7,904
Due from related parties	$ 18,792	$ 18,792	$ 10,597	$ 10,597
Series 1 ZIM Notes	$ 6,427	$ 6,427	$ 6,274	$ 6,274
Series 2 ZIM Notes	$ 31,700	$ 31,700	$ 30,923	$ 30,923
Equity investment in ZIM	$ 28,693	$ 37,690	$ 28,693	$ 32,873
Accounts payable	$ 11,195	$ 11,195	$ 12,510	$ 12,510
Accrued liabilities	$ 19,281	$ 19,281	$ 24,705	$ 24,705
Long-term debt, including current portion	$ 2,874,387	$ 2,876,290	$ 2,951,120	$ 2,953,327
Vendor financing, including current portion	$ 35,673	$ 35,492	$ 64,367	$ 64,026

The estimated fair value of the financial instruments that are not measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, are as follows (in thousands):

	Fair Value Measurements as of June 30, 2015			
	Total	(Level I)	(Level II)	(Level III)
	(in thousands of $)			
Series 1 ZIM Notes (1)	$ 6,427	—	$ 6,427	—
Series 2 ZIM Notes (1)	$ 31,700	—	$ 31,700	—
Equity investment in ZIM (1)	$ 37,690	—	$ 37,690	—
Long-term debt, including current portion(2)	$ 2,876,290	—	$ 2,876,290	—
Vendor financing, including current portion(3)	$ 35,492	—	$ 35,492	—
Accrued liabilities(4)	$ 19,281	—	$ 19,281	—

	Fair Value Measurements as of December 31, 2014			
	Total	(Level I)	(Level II)	(Level III)
	(in thousands of $)			
Series 1 ZIM Notes (1)	$ 6,274	—	$ 6,274	—
Series 2 ZIM Notes (1)	$ 30,923	—	$ 30,923	—
Equity investment in ZIM (1)	$ 32,873	—	$ 32,873	—
Long-term debt, including current portion(2)	$ 2,953,327	—	$ 2,953,327	—
Vendor financing, including current portion(3)	$ 64,026	—	$ 64,026	—
Accrued liabilities(4)	$ 24,705	—	$ 24,705	—

(1) The fair value is estimated based on currently available information on the Company's counterparty, other contracts with similar terms, remaining maturities and interest rates.

(2) The fair value of the Company's debt is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities, as well as taking into account its creditworthiness.

(3) The fair value of the Company's Vendor financing is estimated based on currently available financing with similar contract terms, interest rate and remaining maturities, as well as taking into account its creditworthiness.

(4) The fair value of the Company's accrued liabilities, which mainly consists of accrued interest on its credit facilities and accrued realized losses on its cash flow interest rate swaps, is estimated based on currently available debt and swap agreements with similar contract terms, interest rates and remaining maturities, as well as taking into account its creditworthiness.

12 Commitments and Contingencies

There are no material legal proceedings to which the Company is a party or to which any of its properties are the subject, or other contingencies that the Company is aware of, other than routine litigation incidental to the Company's business. Furthermore, the Company does not have any commitments outstanding.

13 Stockholders' Equity

As of April 18, 2008, the Board of Directors and the Compensation Committee approved incentive compensation of Manager's employees with its shares from time to time, after specific for each such time, decision by the compensation committee and the Board of Directors in order to provide a means of compensation in the form of free shares to certain employees of the Manager of the Company's common stock. The plan was effective as of December 31, 2008. Pursuant to the terms of the plan, employees of the Manager may receive (from time to time) shares of the Company's common stock as additional compensation for their services offered during the preceding period. The stock will have no vesting period and the employee will own the stock immediately after grant. The total amount of stock to be granted to employees of the Manager will be at the Company's Board of Directors' discretion only and there will be no contractual obligation for any stock to be granted as part of the employees' compensation package in future periods. During the six months ended June 30, 2015, the Company did not grant any shares under the plan. During the six months ended June 30, 2015, the Company issued 108,759 new shares of common stock, which were distributed to the employees of the Manager in settlement of 2014 grants.

The Company has also established the Directors Share Payment Plan under its 2006 equity compensation plan. The purpose of the plan is to provide a means of payment of all or a portion of compensation payable to directors of the Company in the form of Company's Common Stock. The plan was effective as of April 18, 2008. Each member of the Board of Directors of the Company may participate in the plan. Pursuant to the terms of the plan, directors may elect to receive in Common Stock all or a portion of their compensation. Following December 31 of each year, the Company delivers to each Director the number of shares represented by the rights credited to their Share Payment Account during the preceding calendar year. During the six months ended June 30, 2015, none of the directors elected to receive their compensation in Company shares.

14 Earnings per Share

The following table sets forth the computation of basic and diluted earnings per share:

	Three months ended	
	June 30, 2015	June 30, 2014
	(in thousands)	
Numerator:		
Net income	$ 38,072	$ 16,643
Denominator (number of shares in thousands):		
Basic and diluted weighted average common shares outstanding	109,785	109,669

	Six months ended	
	June 30, 2015	June 30, 2014
	(in thousands)	
Numerator:		
Net income	$ 68,414	$ 25,050
Denominator (number of shares in thousands):		
Basic and diluted weighted average common shares outstanding	109,785	109,669

The Warrants issued and outstanding as of June 30, 2015 and 2014, were excluded from the diluted earnings per share, because they were antidilutive.

15 Subsequent Events

On July 24, 2015, at the annual meeting of stockholders, Dr. John Coustas was re-elected as Class I director and Mr. Myles R. Itkin was re-elected as Class I director, each for a three-year term expiring at the annual meeting of stockholders in 2018. The Board of Directors was reduced to six directors as Dr. Robert A. Mundell did not stand for re-election at the annual meeting of stockholders.