World-Class Shipping, Leading-Edge Expertise

Danaos Corporation Reports First Quarter Results for the Period Ended March 31, 2015.

Athens, Greece, April 27, 2015 – Danaos Corporation ("Danaos") (NYSE: DAC), one of the world's largest independent owners of containerships, today reported unaudited results for the quarter ended March 31, 2015.

Highlights for the First Quarter Ended March 31, 2015:

- Operating revenues of $138.6 million for the three months ended March 31, 2015 compared to $135.5 million for the three months ended March 31, 2014, an increase of 2.3%.
- Adjusted EBITDA[1] of $102.7 million for the three months ended March 31, 2015 compared to $96.4 million for the three months ended March 31, 2014, an increase of 6.5%.
- Adjusted net income[1] of $30.6 million, or $0.28 per share, for the three months ended March 31, 2015 compared to $7.0 million, or $0.06 per share, for the three months ended March 31, 2014, an increase of 337.1%.
- The remaining average charter duration of our fleet was 7.8 years as of March 31, 2015 (weighted by aggregate contracted charter hire).
- Total contracted operating revenues were $3.6 billion as of March 31, 2015, through 2028.
- Charter coverage of 92% for the next 12 months in terms of contracted operating days and 97% in terms of operating revenues.

Three Months Ended March 31, 2015
Financial Summary

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

	Three months ended March 31, 2015	Three months ended March 31, 2014
	(unaudited)	
Operating revenues	$138,605	$135,486
Net income	$30,342	$8,407
Adjusted net income[1]	$30,569	$6,976
Earnings per share	$0.28	$0.08
Adjusted earnings per share[1]	$0.28	$0.06
Weighted average number of shares (in thousands)	109,785	109,669
Adjusted EBITDA[1]	$102,722	$96,381

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

Danaos is reporting another solid quarter with adjusted net income of $30.6 million, or 28 cents per share, more than quadrupling the adjusted net income of $7.0 million, or 6 cents per share that had been reported for the 1st quarter of 2014.

The Company's profitability improved between the 2 quarters through a $16.0 million improvement in net financing costs together with a $4.5 million improvement in operating costs and a $3.1 million increase in operating revenues. The trend of reduced financing costs and, as a consequence, increased earnings, will continue through 2015 as we continue to reduce debt and benefit from the expiration of expensive interest rate swaps.

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

The container charter market saw a significant increase in panamax rates during the first quarter of 2015 due to increased demand resulting from port congestion in the US West Coast and the continued shrinkage of the world panamax fleet. The delay in the opening of the new Panama canal will further help to absorb panamax tonnage in the short term, while delays caused by port congestion in the US West Coast have resulted in increased demand in the Asia to US East Coast all water service. These factors have positively affected TEU mile demand in the industry.

We continue to maintain our strong 97% charter coverage in terms of operating revenues which insulates us from market volatility. Additionally, our $5,622 daily operating cost for the 1st quarter clearly positions us as one of the most efficient operators in the industry.

We will continue our efforts to de-lever our balance sheet, manage our fleet efficiently and capitalize on the resilience of our business model towards creating value for our shareholders.

Three months ended March 31, 2015 compared to the three months ended March 31, 2014

During the three months ended March 31, 2015, Danaos had an average of 56.0 containerships compared to 58.6 containerships for the three months ended March 31, 2014. Our fleet utilization increased to 98.4% in the three months ended March 31, 2015 compared to 95.2% in the three months ended March 31, 2014.

Our adjusted net income was $30.6 million, or $0.28 per share, for the three months ended March 31, 2015 compared to $7.0 million, or $0.06 per share, for the three months ended March 31, 2014. We have adjusted our net income in the three months ended March 31, 2015 for unrealized gains on derivatives of $4.4 million and a non-cash expense of $4.6 million for fees related to our 2011 comprehensive financing plan (comprised of non-cash, amortizing and accrued finance fees). Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

The increase of $23.6 million in adjusted net income for the three months ended March 31, 2015 compared to the three months ended March 31, 2014 was attributed to a reduction of $16.0 million in net finance costs mainly due to lower debt balances and interest rate swap expirations, a $4.5 million improvement in total fleet operating costs, an increase of $2.7 million in operating revenues as a result of the acquisition of two 6,402 TEU vessels which were added to our fleet during the 4th quarter of 2014, and an increase of $2.1 million in operating revenues from six 4,253 TEU vessels on charter to Zim related to revenue recognition accounting of the Zim restructuring that became effective on July 16, 2014. These improvements to adjusted net income were partially offset by a $1.7 million net decrease in operating revenues mainly attributable to vessels that were sold during 2014 but had generated operating revenues during the 1st quarter of 2014.

On a non-adjusted basis our net income was $30.3 million, or $0.28 per share, for the three months ended March 31, 2015, compared to net income of $8.4 million, or $0.08 per share, for the three months ended March 31, 2014.

Operating Revenues

Operating revenues increased 2.3%, or $3.1 million, to $138.6 million in the three months ended March 31, 2015, from $135.5 million in the three months ended March 31, 2014.

Operating revenues for the three months ended March 31, 2015 reflect:

- $2.7 million of additional revenues in the three months ended March 31, 2015 compared to the three months ended March 31, 2014, related to the *MOL Priority* and the *MOL Performance*, which were added to our fleet on November 5, 2014.
- $2.1 million increase in revenues in the three months ended March 31, 2015 compared to the three months ended March 31, 2014, related to revenue recognition accounting of the Zim restructuring that became effective on July 16, 2014.
- $1.7 million decrease in revenues in the three months ended March 31, 2015 compared to the three months ended March 31, 2014, related to the *Commodore*, the *Messologi* and the *Mytilini,* which were generating revenues in the three months ended March 31, 2014 and were sold within 2014.

Vessel Operating Expenses

Vessel operating expenses decreased 9.6%, or $2.9 million, to $27.3 million in the three months ended March 31, 2015, from $30.2 million in the three months ended March 31, 2014. The reduction is attributable to an 8.0% improvement in the average daily operating cost per vessel and the decrease in the average number of vessels in our fleet during the three months ended March 31, 2015 compared to the three months ended March 31, 2014.

The average daily operating cost per vessel decreased to $5,622 per day for the three months ended March 31, 2015, from $6,110 per day for the three months ended March 31, 2014, mainly as a result of a 17.6% improvement in the average Euro to Dollar exchange rate between the two periods and the sale of older vessels in our fleet, whose contribution in daily operating expenses was higher than the fleet average. Management believes that our daily operating cost ranks as one of the most competitive in the industry.

Depreciation & Amortization

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

Depreciation

Depreciation expense decreased 4.1%, or $1.4 million, to $32.5 million in the three months ended March 31, 2015, from $33.9 million in the three months ended March 31, 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 Dry-docking and Special Survey Costs

Amortization of deferred dry-docking and special survey costs increased by $0.2 million, to $1.2 million in the three months ended March 31, 2015, from $1.0 million in the three months ended March 31, 2014. The increase reflects increased dry-docking and special survey costs incurred in the preceding 12 months and amortized during the three months ended March 31, 2015 compared to the three months ended March 31, 2014.

General and Administrative Expenses

General and administrative expenses decreased 1.9%, or $0.1 million, to $5.3 million in the three months ended March 31, 2015, from $5.4 million in the three months ended March 31, 2014. The decrease was due to an improvement in various administrative expenses by $0.2 million between the two periods, which was partially offset by increased fees paid to our Manager in the three months ended March 31, 2015 compared to the three months ended March 31, 2014 by $0.1 million, due to an increase in the per day fee payable to our Manager since January 1, 2015.

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.

Other Operating Expenses

Other Operating Expenses includes Voyage Expenses

Voyage Expenses

Voyage expenses decreased by $0.2 million, to $3.1 million in the three months ended March 31, 2015, from $3.3 million in the three months ended March 31, 2014, mainly attributed to the decreased average number of vessels in our fleet during the three months ended March 31, 2015 compared to the three months ended March 31, 2014.

Gain/(loss) on sale of vessels

Gain/(loss) on sale of vessels, was nil in the three months ended March 31, 2015 compared to a gain of $0.5 million in the three months ended March 31, 2014 as a result of the sale of the *Marathonas* on February 26, 2014. There were no vessel sales during the three months ended March 31, 2015.

Interest Expense and Interest Income

Interest expense decreased by 13.3%, or $2.8 million, to $18.2 million in the three months ended March 31, 2015, from $21.0 million in the three months ended March 31, 2014. The change in interest expense was mainly due to the decrease in our average debt by $218.6 million, to $2,983.4 million in the three months ended March 31, 2015, from $3,202.0 million in the three months ended March 31, 2014, as well as the decrease in the cost of debt servicing in the three months ended March 31, 2015 compared to the three months ended March 31, 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 March 31, 2015, the debt outstanding was $2,962.7 million compared to $3,174.0 million as of March 31, 2014.

Interest income was $0.8 million in the three months ended March 31, 2015 compared to less than $0.1 million in the three months ended March 31, 2014.

Other finance costs, net
Other finance costs, net, decreased by $0.1 million, to $4.9 million in the three months ended March 31, 2015, from $5.0 million in the three months ended March 31, 2014. This decrease was due to the $0.1 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 March 31, 2015 compared to the three months ended March 31, 2014.

Unrealized gain/(loss) on derivatives
Unrealized gain on interest rate swaps was a gain of $4.4 million in the three months ended March 31, 2015 compared to a gain of $5.7 million in the three months ended March 31, 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)/gain on derivatives
Realized loss on interest rate swaps, decreased by $12.4 million, to $21.1 million in the three months ended March 31, 2015, from $33.5 million in the three months ended March 31, 2014. This decrease is attributable to $1,058.9 million lower average notional amount of swaps during the three months ended March 31, 2015, compared to the three months ended March 31, 2014 as a result of swap expirations.

Adjusted EBITDA
Adjusted EBITDA increased 6.5%, or $6.3 million, to $102.7 million in the three months ended March 31, 2015, from $96.4 million in the three months ended March 31, 2014. Adjusted EBITDA for the three months ended March 31, 2015, is adjusted for unrealized gain on derivatives of $4.4 million and realized losses on derivatives of $20.1 million. Tables reconciling Adjusted EBITDA to Net Income can be found at the end of this earnings release.

Conference Call and Webcast
On Tuesday, April 28, 2015, at 9:00 A.M. ET, the Company's management will host a conference call to discuss the results.

Conference Call Details:
Participants should dial into the call 10 minutes before the scheduled time using the following numbers: 1 866 652 5200 (US Toll Free Dial In), 0800 279 9489 (UK Toll Free Dial In) or +44 (0) 2075 441 375 (Standard International Dial In). Please quote "Danaos Corporation" to the operator.

A telephonic replay of the conference call will be available until May 6, 2015 by dialing 1 877 344 7529 (US Toll Free Dial In) or +44 (0)2036 088 021 (Standard International Dial In). Access Code: 10064227#

Audio Webcast:
There will also be a live and then archived webcast of the conference call through the Danaos website (www.danaos.com). Participants of the live webcast should register on the website approximately 10 minutes prior to the start of the webcast.

About Danaos Corporation
Danaos Corporation is one of the largest independent owners of modern, large-size containerships. Our current fleet of 56 containerships aggregating 334,239 TEUs ranks Danaos among the largest

containership charter owners in the world based on total TEU capacity. Our fleet is predominantly chartered to many of the world's largest lined companies on fixed-rate, long-term charters. Our track record of success is predicated on our efficient and rigorous operations standards and environmental controls. Danaos Corporation's shares trade on the New York Stock Exchange under the symbol "DAC".

Forward-Looking Statements

Matters discussed in this release may constitute forward-looking statements within the meaning of the safeharbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements reflect our current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although Danaos Corporation believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, Danaos Corporation cannot assure you that it will achieve or accomplish these expectations, beliefs or projections. Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including changes in charter hire rates and vessel values, charter counterparty performance, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled drydocking, changes in Danaos Corporation's operating expenses, including bunker prices, dry-docking and insurance costs, ability to obtain financing and comply with covenants in our financing arrangements, actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists.

Risks and uncertainties are further described in reports filed by Danaos Corporation with the U.S. Securities and Exchange Commission.

Visit our website at www.danaos.com

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Appendix

Fleet Utilization

Danaos had 64 unscheduled off-hire days in the three months ended March 31, 2015. The following table summarizes vessel utilization and the impact of the off-hire days on the Company's revenue.

Vessel Utilization (No. of Days)	**First Quarter 2014**	**First Quarter 2015**
Ownership Days	5,277	5,040
Less Off-hire Days:		
Scheduled Off-hire Days	(30)	(16)
Other Off-hire Days	(225)	(64)
Operating Days	**5,022**	**4,960**
Vessel Utilization	**95.2%**	**98.4%**
Operating Revenues (in '000s of US Dollars)	**$135,486**	**$138,605**
Average Gross Daily Charter Rate	**$26,978**	**$27,945**

Fleet List

The following table describes in detail our fleet deployment profile as of April 27, 2015.

Vessel Name	Vessel Size (TEU)	Year Built	Expiration of Charter[1]
Containerships			
Hyundai Ambition	13,100	2012	June 2024
Hyundai Speed	13,100	2012	June 2024
Hyundai Smart	13,100	2012	May 2024
Hyundai Tenacity	13,100	2012	March 2024
Hyundai Together	13,100	2012	February 2024
Hanjin Italy	10,100	2011	April 2023
Hanjin Germany	10,100	2011	March 2023
Hanjin Greece	10,100	2011	May 2023
CSCL Le Havre	9,580	2006	September 2018
CSCL Pusan	9,580	2006	July 2018
CMA CGM Melisande	8,530	2012	November 2023
CMA CGM Attila	8,530	2011	April 2023
CMA CGM Tancredi	8,530	2011	May 2023
CMA CGM Bianca	8,530	2011	July 2023
CMA CGM Samson	8,530	2011	September 2023
CSCL America	8,468	2004	September 2016
CSCL Europe	8,468	2004	June 2016
CMA CGM Moliere [2]	6,500	2009	August 2021
CMA CGM Musset [2]	6,500	2010	February 2022
CMA CGM Nerval [2]	6,500	2010	April 2022
CMA CGM Rabelais [2]	6,500	2010	June 2022
CMA CGM Racine [2]	6,500	2010	July 2022
YM Mandate	6,500	2010	January 2028
YM Maturity	6,500	2010	April 2028
MOL Performance	6,402	2002	January 2016
MOL Priority	6,402	2002	November 2015
Federal	4,651	1994	October 2015
SNL Colombo	4,300	2004	March 2019
YM Singapore	4,300	2004	October 2019
YM Seattle	4,253	2007	July 2019
YM Vancouver	4,253	2007	September 2019
Derby D	4,253	2004	January 2016
Deva	4,253	2004	May 2015
ZIM Rio Grande	4,253	2008	May 2020
ZIM Sao Paolo	4,253	2008	August 2020
OOCL Istanbul	4,253	2008	September 2020
ZIM Monaco	4,253	2009	November 2020
OOCL Novorossiysk	4,253	2009	February 2021
ZIM Luanda	4,253	2009	May 2021
Dimitris C	3,430	2001	September 2015
Hanjin Constantza	3,400	2011	February 2021
Hanjin Algeciras	3,400	2011	November 2020
Hanjin Buenos Aires	3,400	2010	March 2020
Hanjin Santos	3,400	2010	May 2020
Hanjin Versailles	3,400	2010	August 2020
MSC Zebra[3]	2,602	2001	October 2017
Amalia C	2,452	1998	May 2015
Niledutch Palanca [4]	2,524	2001	August 2015
Hyundai Advance	2,200	1997	June 2017
Hyundai Future	2,200	1997	August 2017
Hyundai Sprinter	2,200	1997	August 2017

Hyundai Stride	2,200	1997	July 2017
Hyundai Progress	2,200	1998	December 2017
Hyundai Bridge	2,200	1998	January 2018
Hyundai Highway	2,200	1998	January 2018
Hyundai Vladivostok	2,200	1997	May 2017

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

(2) The charters with respect to the *CMA CGM Moliere*, the *CMA CGM Musset*, the *CMA* CGM *Nerval*, the *CMA CGM Rabelais* and the *CMA CGM Racine* include an option for the charterer, CMA-CGM, to purchase the vessels eight years after the commencement of the respective charters, which will fall in September 2017, March 2018, May 2018, July 2018 and August 2018, respectively, each for $78.0 million.

(3) On September 14, 2014, the *Niledutch Zebra* was renamed to *MSC Zebra* at the request of the charterer of this vessel.

(4) On March 25, 2014, the *Danae C* was renamed to *Niledutch Palanca* at the request of the charterer of this vessel.

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

	Three months ended March 31, 2015	Three months ended March 31, 2014
OPERATING REVENUES	**$138,605**	**$135,486**
OPERATING EXPENSES		
Vessel operating expenses	(27,323)	(30,246)
Depreciation & amortization	(33,662)	(34,945)
General & administrative	(5,270)	(5,393)
Gain on sale of vessels	—	493
Other operating expenses	(3,057)	(3,275)
Income From Operations	**69,293**	**62,120**
OTHER EARNINGS/(EXPENSES)		
Interest income	840	15
Interest expense	(18,198)	(20,999)
Other finance cost	(4,861)	(4,991)
Other income / (expenses), net	7	54
Realized loss on derivatives	(21,133)	(33,476)
Unrealized gain on derivatives	4,394	5,684
Total Other Income / (Expenses), net	**(38,951)**	**(53,713)**
Net Income	**$30,342**	**$8,407**
EARNINGS PER SHARE		
Basic & diluted net income per share	$0.28	$0.08
Basic & diluted weighted average number of common shares (in thousands of shares)	109,785	109,669

Non-GAAP Measures*
Reconciliation of Net Income to Adjusted Net Income – Unaudited

	Three months ended March 31, 2015	Three months ended March 31, 2014
Net income	**$30,342**	**$8,407**
Unrealized gain on derivatives	(4,394)	(5,684)
Amortization and write-offs of financing fees & finance fees accrued	4,621	4,746
Gain on sale of vessels	—	(493)
Adjusted Net Income	**$30,569**	**$6,976**
Adjusted Earnings Per Share	**$0.28**	**$0.06**
Weighted average number of shares	109,785	109,669

* The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that certain non-GAAP financial measures used in managing the business may provide users of this financial information additional meaningful comparisons between current results and results in prior operating periods. Management believes that these non-GAAP financial measures can provide additional meaningful reflection of underlying trends of the business because they provide a comparison of historical information that excludes certain items that impact the overall comparability. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. See the Table above for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three months ended March 31, 2015 and 2014. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP.

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

	As of March 31, 2015	As of December 31, 2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$65,750	$57,730
Restricted cash	9	2,824
Accounts receivable, net	6,579	7,904
Other current assets	35,944	34,615
	108,282	103,073
NON-CURRENT ASSETS		
Fixed assets, net	3,592,011	3,624,338
Deferred charges, net	50,802	55,275
Fair value of financial instruments	509	664
Other non-current assets	68,899	67,842
	3,712,221	3,748,119
TOTAL ASSETS	**$3,820,503**	**$3,851,192**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Long-term debt, current portion	$196,643	$178,116
Vendor Financing, current portion	39,292	46,530
Accounts payable, accrued liabilities & other current liabilities	48,629	52,414
Fair value of financial instruments, current portion	33,003	51,022
	317,567	328,082
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	2,716,046	2,773,004
Vendor financing, net of current portion	10,695	17,837
Fair value of financial instruments, net of current portion	2,761	2,398
Other long-term liabilities	40,703	41,722
	2,770,205	2,834,961
STOCKHOLDERS’ EQUITY		
Common stock	1,098	1,097
Additional paid-in capital	546,734	546,735
Accumulated other comprehensive loss	(125,502)	(139,742)
Retained earnings	310,401	280,059
	732,731	688,149
TOTAL LIABILITIES AND STOCKHOLDERS’ EQUITY	**$3,820,503**	**$3,851,192**

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

	Three months ended March 31, 2015	Three months ended March 31, 2014
Operating Activities:		
Net income	$30,342	$8,407
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	32,488	33,943
Amortization of deferred drydocking & special survey costs, finance cost and other finance fees accrued	5,795	5,748
Payments for drydocking / special survey	(389)	(2,039)
Amortization of deferred realized losses on cash flow interest rate swaps	991	990
Unrealized gain on derivatives	(4,394)	(5,684)
Gain on sale of vessels	—	(493)
Accounts receivable	1,325	694
Other assets, current and non-current	(2,386)	(11,876)
Accounts payable and accrued liabilities	(2,570)	8,974
Other liabilities, current and non-current	(1,542)	632
Net Cash provided by Operating Activities	**59,660**	**39,296**
Investing Activities:		
Vessel additions and vessel acquisitions	(161)	(752)
Net proceeds from sale of vessels	—	9,771
Net Cash (used in) / provided by Investing Activities	**(161)**	**9,019**
Financing Activities:		
Debt repayment	(53,602)	(60,678)
Deferred costs	(692)	—
Decrease in restricted cash	2,815	3,236
Net Cash used in Financing Activities	**(51,479)**	**(57,442)**
Net Increase / (Decrease) in cash and cash equivalents	8,020	(9,127)
Cash and cash equivalents, beginning of period	57,730	68,153
Cash and cash equivalents, end of period	**$65,750**	**$59,026**

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

	Three months ended March 31, 2015	Three months ended March 31, 2014
Net income	$30,342	$8,407
Depreciation	32,488	33,943
Amortization of deferred drydocking & special survey costs	1,174	1,002
Amortization of deferred finance costs and write-offs and other finance fees accrued	4,621	4,746
Amortization of deferred realized losses on interest rate swaps	991	990
Interest income	(840)	(15)
Interest expense	18,198	20,999
Gain on sale of vessels	—	(493)
Realized loss on derivatives	20,142	32,486
Unrealized gain on derivatives	(4,394)	(5,684)
Adjusted EBITDA[1]	**$102,722**	**$96,381**

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

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

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that certain non-GAAP financial measures used in managing the business may provide users of these financial information additional meaningful comparisons between current results and results in prior operating periods. Management believes that these non-GAAP financial measures can provide additional meaningful reflection of underlying trends of the business because they provide a comparison of historical information that excludes certain items that impact the overall comparability. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. See the Tables above for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three months ended March 31, 2015 and 2014. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP.