

DIANA SHIPPING INC.  
Form 6-K  
May 06, 2009

## **FORM 6-K**

# **SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

### **REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16 OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the month of May 2009**

**Commission File Number: 001-32458**

## **DIANA SHIPPING INC.**

**(Translation of registrant's name into English)**

**Pendelis 16, 175 64 Palaio Faliro, Athens, Greece**

**(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.

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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): .

**Note:** Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

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): .

**Note:** Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

**INFORMATION CONTAINED IN THIS FORM 6-K REPORT**

Attached to this Report on Form 6-K as Exhibit 1 is a press release dated May 6, 2009 of Diana Shipping Inc. (the Company ) announcing its financial results for the first quarter ended March 31, 2009.

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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.

**DIANA SHIPPING INC.**

(registrant)

Dated: May 6, 2009

By: /s/ Andreas Michalopoulos  
Andreas Michalopoulos  
Chief Financial Officer and Treasurer

***Corporate Contact:***

Ioannis Zafirakis  
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For Immediate Release

***Investor and Media Relations:***

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**DIANA SHIPPING INC. REPORTS FINANCIAL RESULTS**

**FOR THE FIRST QUARTER ENDED MARCH 31, 2009**

ATHENS, GREECE, May 6, 2009 Diana Shipping Inc. (NYSE: DSX), a global shipping company specializing in the transportation of dry bulk cargoes, today reported net income of \$34.8 million for the first quarter of 2009. This compared to net income of \$53.2 million reported in the first quarter of 2008.

Voyage and time charter revenues were \$62.7 million for the first quarter of 2009, compared to \$78.9 million for the same period of 2008, due to a decrease in prevailing time charter rates and operating days partly offset by the increase in operating days due to the acquisition of the Norfolk in February 2008.

**Chairman and Chief Executive Officer's Comments**

In a period of continuing economic uncertainty, Diana Shipping delivered profitable results for the 2009 first quarter by following our time-tested strategies. We have continued to manage our fleet for maximum revenue visibility, we have cultivated relationships with many of the world's leading charterers, and we have maintained a solid balance sheet with a minimal degree of leverage. As a result, we continue to believe that our Company is well-positioned to take advantage of the many opportunities that should arise out of the current turbulence in the dry bulk marketplace. We will continue to employ our strategic discipline, strong financial resources and long-term perspective to create value from such opportunities for the benefit of our shareholders, said Simeon Palios, Chairman and Chief Executive Officer of Diana Shipping.

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**Fleet Employment Profile (As of May 5, 2009)**

Currently Diana's fleet is employed as follows:

| Name       | Sister ships <sup>1</sup> | Year Built | DWT     | Charterer   | Daily Time Charter Hire Rate | Charter Expiration <sup>2</sup>                          |
|------------|---------------------------|------------|---------|---|------------------------------|--|
| Nirefs     | A                         | 2001       | 75,311  | Cosco Bulk Carrier Co. Ltd.                       | \$ 60,500                    | Feb 3, 2010  |
| Alcyon     | A                         | 2001       | 75,247  | Cargill International S.A., Geneva                | \$ 34,500                    | Apr 3, 2010<br>Nov 21, 2012                              |
| Triton     | A                         | 2001       | 75,336  | Cargill International S.A., Geneva                | \$ 24,400                    | Feb 21, 2013<br>Oct. 17, 2009                            |
| Oceanis    | A                         | 2001       | 75,211  | Hanjin Shipping Co. Ltd., Seoul                   | \$ 40,000                    | Jan 17, 2010 <sup>3</sup><br>Jul 29, 2009                |
| Dione      | A                         | 2001       | 75,172  | Louis Dreyfus Commodities S.A., Geneva            | \$ 12,000                    | Oct 29, 2009<br>Jun 1, 2010                              |
| Danae      | A                         | 2001       | 75,106  | Augustea Atlantica Srl, Naples                    | \$ 12,000                    | Sep 1, 2010<br>Jan 23, 2011                              |
| Protefs    | B                         | 2004       | 73,630  | Hanjin Shipping Co. Ltd., Seoul                   | \$ 59,000                    | Apr 22, 2011<br>Aug 18, 2011 Nov 18, 2011                |
| Calipso    | B                         | 2005       | 73,691  | Cargill International S.A., Geneva                | \$ 9,400                     | Dec 24, 2009 Mar 24, 2010                                |
| Clio       | B                         | 2005       | 73,691  | Cargill International S.A., Geneva                | \$ 11,000                    | Dec 26, 2009 Mar 26, 2010                                |
| Thetis     | B                         | 2004       | 73,583  | Cargill International S.A., Geneva                | \$ 10,500                    | Dec 12, 2009 Mar 12, 2010                                |
| Naias      | B                         | 2006       | 73,546  | Constellation Energy Commodities Group, Baltimore | \$ 34,000                    | Aug 24, 2009   |
| Erato      | C                         | 2004       | 74,444  | Cargill International S.A., Geneva                | \$ 15,000                    | Oct 24, 2009<br>Nov 27, 2009                             |
| Coronis    | C                         | 2006       | 74,381  | TPC Korea Co. Ltd., Seoul                         | \$ 14,000                    | Feb 27, 2010<br>Feb 26, 2010                             |
| Sideris GS | D                         | 2006       | 174,186 | BHP Billiton Marketing AG                         | \$ 39,000<br>\$ 36,000       | Apr 26, 2010<br>Nov 30, 2009<br>Oct 15, 2010             |
| Aliki      | -                         | 2005       | 180,235 | Cargill International S.A., Geneva                | \$ 45,000                    | Jan 15, 2011 <sup>4</sup><br>Mar 1, 2011                 |
| Semirio    | D                         | 2007       | 174,261 | BHP Billiton Marketing AG                         | \$ 51,000<br>\$ 31,000       | Jun 1, 2011 <sup>4</sup><br>Jun 15, 2009<br>Apr 30, 2011 |
| Boston     | D                         | 2007       | 177,828 | BHP Billiton Marketing AG                         | \$ 52,000                    | Jul 30, 2011 <sup>4</sup><br>Sep 28, 2011                |

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|                                       |   |                   |         |                                  |                          |                           |
|---------------------------------------|---|-------------------|---------|----------------------------------|--------------------------|---------------------------|
|                                       |   |                   |         |                                  |                          | Dec 28, 2011 <sup>5</sup> |
| Salt Lake City                        | - | 2005              | 171,810 | Refined Success Limited          | \$ 55,800                | Aug 28, 2012              |
|                                       |   |                   |         |                                  |                          | Oct 28, 2012              |
| Norfolk                               | - | 2002              | 164,218 | Corus UK Limited                 | \$ 74,750                | Jan 12, 2013              |
|                                       |   |                   |         |                                  |                          | Mar 12, 2013              |
| Hull 1107 (tbn New York) <sup>6</sup> | D | 2010              | 177,000 | Nippon Yusen Kaisha, Tokyo (NYK) | \$ 48,000 <sup>7,8</sup> | Jan 31, 2015              |
|                                       |   |                   |         |                                  |                          | May 31, 2015 <sup>8</sup> |
| Hull 1138 (tbn Houston) <sup>9</sup>  | D | 2009 <sup>8</sup> | 177,000 | Jiangsu Shagang Group Co.        | \$ 55,000                | Oct 30, 2014              |
|                                       |   |                   |         |                                  |                          | Jan 30, 2015 <sup>8</sup> |

**Total: 2,364,887**

- <sup>1</sup> Each dry bulk carrier is a sister ship, or closely similar, to other dry bulk carriers that have the same letter.
- <sup>2</sup> Charterers' optional period to redeliver the vessel to us. Charterers have the right to add the off hire days to the duration of the charter, if any, and therefore the optional period may be extended.
- <sup>3</sup> The charterer has the option to employ the vessel for a further 11-13 month period at a daily rate based on the average rate of four pre-determined time charter routes as published by the Baltic Exchange. The optional period, if exercised, must be declared on or before the end of the 30th month of employment and can only commence at the end of the 36th month.
- <sup>4</sup> The charterer has the option to employ the vessel for a further 11-13 month period. The optional period, if exercised, must be declared on or before the end of the 42nd month of employment and can only commence at the end of the 48th month, at the daily time charter rate of \$48,500.
- <sup>5</sup> The charterer has the option to employ the vessel for a further 11-13 month period. The optional period, if exercised, must be declared on or before the end of the 42nd month of employment and can only commence at the end of the 48th month, at the daily time charter rate of \$52,000.
- <sup>6</sup> Expected to be delivered to us in the first quarter of 2010 with latest possible delivery in the second quarter of 2010.
- <sup>7</sup> The gross rate will vary as follows: \$50,000 per day for delivery between October 1, 2009 and January 31, 2010 or \$48,000 per day for delivery between February 1, 2010 and April 30, 2010.
- <sup>8</sup> Based on the expected date of delivery to us from the builder.
- <sup>9</sup> Expected to be delivered to us from the builder in November 2009.



**Summary of Selected Financial & Other Data**

|  | <b>Three Months Ended March 31,</b> |             |
|--|-------------------------------------|-------------|
|  | <b>2009</b>                         | <b>2008</b> |
|  | (unaudited)                         | (unaudited) |
| <b>INCOME STATEMENT DATA (in thousands of US Dollars):</b> |                                     |             |
| Voyage and time charter revenues                           | \$ 62,693                           | \$ 78,876   |
| Voyage expenses  | 3,226                               | 2,594       |
| Vessel operating expenses                                  | 9,441                               | 9,213       |
| Net income   | 34,810                              | 53,215      |
| <b>FLEET DATA</b>  |                                     |             |
| Average number of vessels                                  | 19.0                                | 18.5        |
| Number of vessels  | 19.0                                | 19.0        |
| Weighted average age of fleet (in years)                   | 4.5                                 | 3.5         |
| Ownership days   | 1,710                               | 1,688       |
| Available days   | 1,704                               | 1,688       |
| Operating days   | 1,670                               | 1,684       |
| Fleet utilization  | 98.0%                               | 99.8%       |
| <b>AVERAGE DAILY RESULTS</b>                               |                                     |             |
| Time charter equivalent (TCE) rate (1)                     | \$ 34,898                           | \$ 45,191   |
| Daily vessel operating expenses (2)                        | \$ 5,521                            | \$ 5,458    |

(1) Time charter equivalent rates, or TCE rates, are defined as our voyage and time charter revenues less voyage expenses during a period divided by the number of our available days during the period, which is consistent with industry standards. Voyage expenses include port charges, bunker (fuel) expenses, canal charges and commissions. TCE is a non-GAAP measure and is a standard shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters because charter hire rates for vessels on voyage charters are generally not expressed in per day amounts while charter hire rates for vessels on time charters are generally expressed in such amounts.

(2) Daily vessel operating expenses, which include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance, the costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses, are calculated by dividing vessel operating expenses by ownership days for the relevant period.

**Conference Call and Webcast Information**

Diana Shipping Inc. will conduct a conference call and Internet webcast to review these results at 9:00 A.M. (Eastern Daylight Time) on Wednesday, May 6, 2009.

Investors may access the webcast by visiting the Company's website at [www.dianashippinginc.com](http://www.dianashippinginc.com), and clicking on the webcast link. The conference call also may be accessed by telephone by dialing 1-877-870-4399 (for U.S.-based callers) or 1-706-679-6101 (for international callers), and providing the operator with the Conference ID number 97436447.

A replay of the webcast will be available soon after the completion of the call and will be accessible on [www.dianashippinginc.com](http://www.dianashippinginc.com). A telephone replay will be available by dialing 1-800-642-1687 (for U.S.-based callers) or 1-706-645-9291 (for international callers), and providing the Conference ID number 97436447.

**About the Company**

Diana Shipping Inc. is a global provider of shipping transportation services. The Company specializes in transporting dry bulk cargoes, including such commodities as iron ore, coal, grain and other materials along worldwide shipping routes.

**Cautionary Statement Regarding Forward-Looking Statements**

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements 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 Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words believe, anticipate, intends, estimate, forecast, project, potential, may, should, expect, pending and similar expressions identify forward-looking statements.

The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, our 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 we will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors, other 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 fluctuations in charter rates and vessel values, changes in demand for dry bulk shipping capacity, changes in our operating expenses, including bunker prices, drydocking and insurance costs, the market for our vessels, availability of financing and refinancing, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, vessels breakdowns and instances of off-hires and other factors. Please see our filings with the Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties.

(See financial tables attached)

## DIANA SHIPPING INC.

## FINANCIAL TABLES

Expressed in thousands of U.S. Dollars, except share and per share data

## CONSOLIDATED STATEMENTS OF INCOME

|   | <b>Three Months Ended March 31,</b> |                     |
|---|-------------------------------------|---------------------|
|   | <b>2009</b>                         | <b>2008</b>         |
|   | (unaudited)                         | (unaudited)         |
| <b>REVENUES:</b>  |                                     |                     |
| Voyage and time charter revenues  | \$ 62,693                           | \$ 78,876           |
| <b>EXPENSES:</b>  |                                     |                     |
| Voyage expenses   | 3,226                               | 2,594               |
| Vessel operating expenses   | 9,441                               | 9,213               |
| Depreciation and amortization of deferred charges                               | 10,837                              | 10,253              |
| General and administrative expenses   | 4,073                               | 3,589               |
| Foreign currency losses (gains)   | (243)                               | (9)                 |
| <b>Operating income</b>   | <b>35,359</b>                       | <b>53,236</b>       |
| <b>OTHER INCOME (EXPENSES):</b>   |                                     |                     |
| Interest and finance costs  | (804)                               | (1,518)             |
| Interest Income   | 255                                 | 552                 |
| Insurance settlement for vessel un-repaired damages                             |                                     | 945                 |
| <b>Total other income (expenses), net</b>                                       | <b>(549)</b>                        | <b>(21)</b>         |
| <b>Net Income</b>   | <b>\$ 34,810</b>                    | <b>\$ 53,215</b>    |
| <b>Earnings/ per common share, basic and diluted</b>                            | <b>\$ 0.47</b>                      | <b>\$ 0.71</b>      |
| <b>Weighted average number of common shares, basic</b>                          | <b>74,396,880</b>                   | <b>74,375,000</b>   |
| <b>Weighted average number of common shares, diluted</b>                        | <b>74,436,579</b>                   | <b>74,404,038</b>   |
| <b>BALANCE SHEET DATA</b>   |                                     |                     |
|   | <b>March 31,</b>                    | <b>December 31,</b> |
|   | <b>2009</b>                         | <b>2008</b>         |
|   | (unaudited)                         |                     |
| <b>ASSETS</b>   |                                     |                     |
| Cash and cash equivalents   | 104,303                             | 62,033              |
| Other current assets  | 6,475                               | 6,521               |
| Advances for vessels under construction and acquisitions and other vessel costs | 27,272                              | 27,199              |
| Vessels net book value  | 949,714                             | 960,431             |
| Other fixed assets, net   | 123                                 | 136                 |
| Other non-current assets  | 1,053                               | 886                 |
| <b>Total assets</b>   | <b>1,088,940</b>                    | <b>1,057,206</b>    |
| <b>LIABILITIES AND STOCKHOLDERS EQUITY</b>                                      |                                     |                     |
| Current liabilities   | 43,033                              | 20,012              |

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|   |                  |                  |
|---|------------------|------------------|
| Long-term debt                                    | 214,026          | 238,094          |
| Deferred revenue, non-current portion             | 19,692           | 22,502           |
| Other non-current liabilities                     | 956              | 1,122            |
| Total stockholders' equity                        | 811,233          | 775,476          |
| <b>Total liabilities and stockholders' equity</b> | <b>1,088,940</b> | <b>1,057,206</b> |

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**OTHER FINANCIAL DATA**

|                                       | <b>Three Months Ended March 31,</b> |             |
|---------------------------------------|-------------------------------------|-------------|
|                                       | <b>2009</b>                         | <b>2008</b> |
|                                       | (unaudited)                         | (unaudited) |
| Net cash from operating activities    | \$ 42,329                           | \$ 61,898   |
| Net cash used in investing activities | (81)                                | (107,875)   |
| Net cash from financing activities    | 22                                  | 53,830      |