

DIANA SHIPPING INC.
Form 6-K
August 01, 2008

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 OF
THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2008

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.

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): ____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached to this Report on Form 6-K as Exhibit 1 is a press release dated July 31, 2008 of Diana Shipping Inc. (the “Company”) announcing its financial results for the second quarter and first six months of 2008 and announcing declaration of a dividend.

This report is incorporated by reference into the Company’s F-3 Registration Statement (File no. 333-143635) that was filed with the Securities and Exchange Commission (the “Commission”) with an effective date of June 15, 2007, and the Company’s F-3 Registration Statement (File no. 333-150406) that was filed with the Commission with an effective date of April 24, 2008.

Exhibit 1

Corporate Contact:
Ioannis Zafirakis
Director, Executive Vice-President and
Secretary
Telephone: + 30-210-9470100
Email: izafirakis@dianashippinginc.com

For Immediate Release

Investor and Media Relations:
Edward Nebb
Comm-Counsellors, LLC
Telephone: + 1-203-972-8350
Email: enebb@optonline.net

DIANA SHIPPING INC. REPORTS FINANCIAL RESULTS
FOR THE SECOND QUARTER AND SIX MONTHS ENDED JUNE 30, 2008

DECLARES CASH DIVIDEND OF \$0.91 PER SHARE
FOR THE SECOND QUARTER

ATHENS, GREECE, July 31, 2008 – Diana Shipping Inc. (NYSE: DSX), a global shipping company specializing in the transportation of dry bulk cargoes, today reported net income of \$56.7 million for the second quarter of 2008. This compared to net income of \$26.0 million reported in the second quarter of 2007.

Voyage and time charter revenues were \$86.8 million for the second quarter of 2008, compared to \$44.0 million for the same period of 2007, due to an increase in prevailing time charter rates and the increase in operating days due to the enlargement of the Company's fleet.

Net income for the six months ended June 30, 2008 amounted to \$109.9 million, compared to net income of \$47.5 million for the same period of 2007. Voyage and time charter revenues were \$165.6 million for the first six months of 2008, compared to \$82.5 million for the same period of 2007.

Dividend Declaration

The Company has declared a cash dividend on its common stock of \$0.91 per share, based on its results of operations during the second quarter ended June 30, 2008. The cash dividend will be payable on or about August 28, 2008 to shareholders of record as of August 14, 2008. The Company has 74.4 million shares of common stock outstanding.

Chairman and Chief Executive Officer's Comments

“Diana Shipping delivered record revenues and earnings for the second quarter and first half of 2008. We are pleased that these robust financial results have enabled us to increase our cash dividend per share for the 10th consecutive quarter, producing an attractive dividend yield for our shareholders. The consistency and visibility of our financial performance is reflected in the fact that we have secured time charters that provide for \$163.8 million to \$167.8

million in revenues for the balance of 2008. Thus, we expect our capacity to reward our shareholders with similarly attractive dividends to continue through the remainder of the year. Furthermore, with our young fleet, strong balance sheet, well-established relationships with industry-leading customers, and a track record of revenue visibility, Diana Shipping is well-positioned to continue to benefit from the favorable long-term dynamics of the dry bulk industry,” said Simeon Palios, Chairman and Chief Executive Officer of Diana Shipping.

Edgar Filing: DIANA SHIPPING INC. - Form 6-K

Fleet Employment Profile (As of July 29, 2008)

Currently Diana's fleet is employed as follows:

| Name | Sister ships 1 | Year Built | DWT | Employment 2 | Charter Expiration 3 |
|--------------------|----------------|------------|---------|--------------|--------------------------------|
| Nirefs | A | 2001 | 75,311 | \$ 60,500 | Feb 3, 2010 – Apr 3, 2010 |
| Alcyon | A | 2001 | 75,247 | \$ 34,500 | Nov 21, 2012 – Feb 21, 2013 |
| Triton | A | 2001 | 75,336 | \$ 24,400 | Oct. 17, 2009 – Jan 17, 2010 4 |
| Oceanis | A | 2001 | 75,211 | \$ 40,000 | Jul 29, 2009 – Oct 29, 2009 |
| Dione | A | 2001 | 75,172 | \$ 82,000 | Jan 7, 2009 – Mar 7, 2009 |
| Danae | A | 2001 | 75,106 | \$ 29,400 | Feb 18, 2009 – May 18, 2009 |
| Protefs | B | 2004 | 73,630 | \$ 70,000 | Aug 17, 2008 – Sep 16, 2008 |
| Calipso | B | 2005 | 73,691 | \$ 55,000 | Jan 15, 2009 – Mar 15, 2009 |
| Clio | B | 2005 | 73,691 | \$ 27,000 | Jan 27, 2009 – Mar 27, 2009 |
| Thetis | B | 2004 | 73,583 | \$ 60,250 | Sep 2, 2008 – Nov 2, 2008 |
| Naias | B | 2006 | 73,546 | \$ 34,000 | Aug 24, 2009 – Oct 24, 2009 |
| Erato | C | 2004 | 74,444 | \$ 80,300 | Jan 1, 2009 – Mar 1, 2009 |
| Coronis | C | 2006 | 74,381 | \$ 27,500 | Jan 18, 2009 – Apr 9, 2009 |
| Sideris GS | D | 2006 | 174,186 | \$ 43,000 | Nov 30, 2008 |
| | | | | \$ 39,000 | Nov 30, 2009 |
| | | | | \$ 36,000 | Oct 15, 2010 – Jan 15, 2011 5 |
| Aliki | - | 2005 | 180,235 | \$ 52,000 | May 1, 2009 |
| | | | | \$ 45,000 | Mar 1, 2011 – Jun 1, 2011 5 |
| Semirio | D | 2007 | 174,261 | \$ 51,000 | Jun 15, 2009 |
| | | | | \$ 31,000 | Apr 30, 2011 – Jul 30, 2011 5 |
| Boston | D | 2007 | 177,828 | \$ 52,000 | Sep 28, 2011 – Dec 28, 2011 6 |
| Salt Lake City | - | 2005 | 171,810 | \$ 55,800 | Aug 28, 2012 – Oct 28, 2012 |
| Norfolk | - | 2002 | 164,218 | \$ 74,750 | Jan 12, 2013 – Mar 12, 2013 |
| Hull H1107 7, 8, 9 | D | 2010 | 177,000 | \$ 48,000 | Feb 28, 2015 – Jun 30, 2015 |

| | | | | | |
|------------|---|--------|-----------|---|---|
| Hull H1108 | | | | | |
| 7, 8, 9 | D | 2010 | 177,000 | - | - |
| | | Total: | 2,364,887 | | |

- 1 Each vessel is a sister ship of the other vessels that have the same letter.
 - 2 Gross time charter rate per day.
 - 3 Charterers' optional period to redeliver the vessel to us. Charterers have the right to add the off-hire days, if any, and therefore the optional period may be extended.
 - 4 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.
 - 5 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.
 - 6 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.
 - 7 Expected to be delivered to us in the second quarter of 2010.
 - 8 The time charter rate of \$48,000 per day is based on the latest possible date of delivery to the charterer (see also Note 9).
 - 9 The Company has the option to deliver either Hull H1107 or Hull H1108 to the charterer. The gross rate will vary as follows: US\$50,000 per day for delivery between October 1, 2009 and January 31, 2010 or US\$48,000 per day for delivery between February 1, 2010 and April 30, 2010.
-

Summary of Selected Financial & Other Data

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|---------------------|------------------------------|---------------------|
| | 2008 (unaudited) | 2007 (unaudited) | 2008 (unaudited) | 2007 (unaudited) |
| INCOME STATEMENT DATA (in thousands of US Dollars): | | | | |
| Voyage and time charter revenues | \$ 86,768 | \$ 43,997 | \$ 165,644 | \$ 82,505 |
| Voyage expenses | 4,046 | 2,004 | 6,640 | 3,680 |
| Vessel operating expenses | 9,859 | 6,908 | 19,072 | 13,429 |
| Net income | 56,733 | 26,017 | 109,948 | 47,463 |
| FLEET DATA | | | | |
| Average number of vessels | 19.0 | 15.9 | 18.8 | 15.4 |
| Number of vessels | 19.0 | 17.0 | 19.0 | 17.0 |
| Weighted average age of fleet (in years) | 3.8 | 3.6 | 3.8 | 3.6 |
| Ownership days | 1,729 | 1,444 | 3,417 | 2,794 |
| Available days | 1,729 | 1,444 | 3,417 | 2,794 |
| Operating days | 1,728 | 1,441 | 3,412 | 2,764 |
| Fleet utilization | 99.9% | 99.8% | 99.9% | 98.9% |
| AVERAGE DAILY RESULTS | | | | |
| Time charter equivalent (TCE) rate (1) | \$ 47,844 | \$ 29,081 | \$ 46,533 | \$ 28,212 |
| Daily vessel operating expenses (2) | \$ 5,702 | \$ 4,784 | \$ 5,582 | \$ 4,806 |

(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 rate 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 simultaneous Internet webcast to review these results at 9:00 A.M. (Eastern Daylight Time) on Thursday, July 31, 2008.

Investors may access the webcast by visiting the Company's website at www.dianashippinginc.com, and clicking on the webcast link. The webcast also is accessible at www.viavid.net, by clicking on the Diana Shipping link under "Events". The conference call also may be accessed by telephone by dialing 1-800-762-8795 (for U.S.-based callers) or 1-480-629-9031 (for international callers).

A replay of the webcast will be available soon after the completion of the call and will be accessible on both www.dianashippinginc.com and www.viavid.net. A telephone replay will be available by dialing 1-800-406-7325

Edgar Filing: DIANA SHIPPING INC. - Form 6-K

(for U.S.-based callers) or 1-303-590-3030 (for international callers); callers must use the PIN number 3896305.

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," "plan," "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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|---------------------|------------------------------|---------------------|
| | 2008 (unaudited) | 2007 (unaudited) | 2008 (unaudited) | 2007 (unaudited) |
| REVENUES: | | | | |
| Voyage and time charter revenues | 86,768 | \$ 43,997 | \$ 165,644 | \$ 82,505 |
| EXPENSES: | | | | |
| Voyage expenses | 4,046 | 2,004 | 6,640 | 3,680 |
| Vessel operating expenses | 9,859 | 6,908 | 19,072 | 13,429 |
| Depreciation and amortization of deferred charges | 10,956 | 5,423 | 21,209 | 10,223 |
| General and administrative expenses | 3,869 | 2,261 | 7,458 | 4,415 |
| Foreign currency losses (gains) | (97) | (47) | (106) | (117) |
| Operating income | 58,135 | 27,448 | 111,371 | 50,875 |
| OTHER INCOME (EXPENSES): | | | | |
| Interest and finance costs | (1,498) | (1,772) | (3,016) | (3,900) |
| Interest Income | 96 | 341 | 648 | 488 |
| Insurance settlement for vessel un-repaired damages | - | - | 945 | - |
| Total other income (expenses), net | (1,402) | (1,431) | (1,423) | (3,412) |
| Net Income | 56,733 | \$ 26,017 | \$ 109,948 | \$ 47,463 |
| Earnings/(losses) per common share, basic and diluted | 0.76 | \$ 0.41 | \$ 1.48 | \$ 0.82 |
| Weighted average number of common shares, basic | 74,375,000 | 62,875,000 | 74,375,000 | 58,126,381 |
| Weighted average number of common shares, diluted | 74,443,702 | 62,875,000 | 74,425,504 | 58,126,381 |

BALANCE SHEET DATA

| | June 30, 2008 (unaudited) | December 31, 2007 |
|---|---------------------------------|----------------------|
| ASSETS | | |
| Cash and cash equivalents | 22,705 | 16,726 |
| Other current assets | 3,968 | 4,788 |
| Advances for vessels under construction and acquisitions and other vessel costs | 26,692 | 53,104 |
| Vessels' net book value | 982,262 | 867,632 |
| Other fixed assets, net | 896 | 956 |
| Other non-current assets | 505 | 1,136 |
| Total assets | 1,037,028 | 944,342 |

LIABILITIES AND STOCKHOLDERS' EQUITY

| | | |
|---|------------------|----------------|
| Current liabilities | 20,275 | 20,964 |
| Long-term debt | 189,727 | 98,819 |
| Deferred revenue, non current portion | 24,032 | 23,965 |
| Other non-current liabilities | 1,254 | 1,120 |
| Total stockholders' equity | 801,740 | 799,474 |
| Total liabilities and stockholders' equity | 1,037,028 | 944,342 |

OTHER FINANCIAL DATA

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|-----------------------------|-------------|------------------------------|-------------|
| | 2008 | 2007 | 2008 | 2007 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Net cash from operating activities | \$ 68,963 | \$ 32,619 | \$ 130,861 | \$ 60,649 |
| Net cash used in investing activities | (254) | (200,266) | (108,129) | (231,339) |
| Net cash from/(used in) financing activities | (70,583) | 170,205 | (16,753) | 167,802 |

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: August 1, 2008

By: /s/ Anastassis Margaronis
Anastassis Margaronis
President