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DIANA SHIPPING INC.
Form 6-K
May 12, 2006

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 2006

DIANA SHIPPING INC.
(Translation of registrant's name into English)

Diana Shipping Inc.
Pendelis 16
175 64 Palaio Faliro
Athens, Greece

(Address of principal executive offices)

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

Form 20-F Form 40-F

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

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached to this Report on Form 6-K as Exhibit 1 is a copy of the press release issued by Diana Shipping Inc. (the "Company") on May 11, 2006, announcing the Company's Financial Results for the First Quarter Ended March 31, 2006, the declaration of a cash dividend and a Conference Call and Webcast to be Held on May 12, 2006.

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DIANA SHIPPING INC. REPORTS FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2006

DECLARES CASH DIVIDEND OF \$0.345 PER SHARE FOR THE FIRST QUARTER

CONFERENCE CALL AND WEBCAST TO BE HELD ON MAY 12, 2006

ATHENS, GREECE, May 11, 2006 - Diana Shipping Inc. (NYSE: DSX), a global shipping transportation company specializing in dry bulk cargoes, today reported net income of \$11.7 million for the three months ended March 31, 2006 compared to \$14.6 million for the same period of 2005. Voyage and time charter revenues were \$24.2 million for the three months ended March 31, 2006, compared to \$23.9 million for the same period of 2005. Voyage and time charter revenues and net income reported for the first quarter of 2006 have been reduced by \$0.8 million, reflecting the non-cash amortization of the prepaid time charter revenue of the vessel Thetis.

Dividend declaration

The Company has declared a cash dividend on its common stock of \$0.345 per share, based on the Company's results from operations during the quarter ended March 31, 2006. The cash dividend will be payable on or about June 8, 2006 to all shareholders of record as of May 18, 2006. The Company has 45 million shares of common stock outstanding.

During the quarter ended March 31, 2006, there were 12.7 vessels on average operating in the Company's fleet, as compared with 8.0 vessels during the corresponding period of 2005.

Fleet Employment Profile

Currently Diana's fleet is employed as follows:

| Name | Sister ships(3) | Year Built | DWT | Employment (1) |
|-------------|--------------------|------------|---------|-------------------------|
| Nirefs | A | 2001 | 75,311 | 4TCs Average + 4.5% (4) |
| Alcyon | A | 2001 | 75,247 | \$ 22,582 |
| Triton | A | 2001 | 75,336 | \$18,250 |
| Oceanis | A | 2001 | 75,211 | \$17,000 |
| Dione | A | 2001 | 75,172 | \$16,300 |
| Danae | A | 2001 | 75,106 | \$ 30,000 |
| Protefs | B | 2004 | 73,630 | 4TCs Average (4) |
| Calipso | B | 2005 | 73,691 | 4TCs Average (4) |
| Clio | B | 2005 | 73,691 | 4TCs Average +\$850 (4) |
| Thetis | B | 2004 | 73,583 | \$ 25,000 |
| Erato | C | 2004 | 74,444 | \$ 21,000 |
| Coronis | C | 2006 | 74,381 | \$ 21,000 |
| Pantelis SP | - | 1999 | 169,883 | \$ 47,500 |

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Total: 1,064,686

- (1) Gross Time Charter Rate per day.
- (2) Estimated dates assuming earliest redelivery by charterers.
- (3) Each vessel is a sister ship of the other vessels that have the same letter.
- (4) Adjustable every 15 days based on the average of four main pre-determined time charter routes, as published by the Baltic Exchange.
- (5) As of March 31, 2006

Summary of Selected Financial & Other Data

| | Three Months Ended | |
|---|--------------------|-----------|
| | March 31, | |
| | 2006 | 2005 |
| | ----- | ----- |
| (unaudited) (unaudited) | | |
| INCOME STATEMENT DATA (in thousands of US Dollars): | | |
| Voyage and time charter revenues | \$ 24,179 | \$ 23,906 |
| Voyage expenses | 1,755 | 1,634 |
| Vessel operating expenses | 4,927 | 3,176 |
| Net income | 11,716 | 14,555 |
| FLEET DATA | | |
| Average number of vessels | 12.7 | 8.0 |
| Number of vessels at the end of the period | 13.0 | 9.0 |
| Weighted average age of fleet (in years) | 3.8 | 3.8 |
| Ownership days | 1,146 | 723 |
| Available days | 1,112 | 723 |
| Operating days | 1,108 | 718 |
| Fleet utilization | 99.6% | 99.3% |
| AVERAGE DAILY RESULTS | | |
| Time charter equivalent (TCE) rate (1) | \$ 20,165 | \$ 30,805 |
| Daily vessel operating expenses (2) | \$ 4,299 | \$ 4,393 |

- (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 10:00 A.M. (Eastern Time) on Friday,

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May 12, 2006.

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.viaavid.net, by clicking on the Diana Shipping link under "Events". The conference call also may be accessed by telephone by dialing 1-877-692-2086 (for U.S.-based callers) or 1-973-935-8599 (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.viaavid.net. A telephone replay will be available by dialing 1-877-519-4471 (for U.S.-based callers) or 1-973-341-3080 (for international callers); callers must use the PIN number 7358810.

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. Diana Shipping Inc. priced its initial public offering of common stock on March 17, 2005.

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," "expect," "anticipate," "intends," "estimate," "forecast," "project," "plan," "potential," "will," "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)

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DIANA SHIPPING INC.
FINANCIAL TABLES

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

CONSOLIDATED STATEMENTS OF INCOME

| | Three 2006 |
|---|-----------------|
| | ----- |
| (unaudited) (unaudited) | |
| REVENUES: | |
| Voyage and time charter revenues | \$ 24,1 |
| EXPENSES: | |
| Voyage expenses | 1,7 |
| Vessel operating expenses | 4,9 |
| Depreciation and amortization of deferred charges | 3,7 |
| Management fees | 5 |
| Executive management services and rent | |
| General and administrative expenses | 8 |
| Foreign currency losses (gains) | |
| | ----- |
| Operating income | 12,2 |
| | ----- |
| OTHER INCOME (EXPENSES): | |
| Interest and finance costs, net | (7 |
| Interest Income | 2 |
| | ----- |
| Total other income (expenses), net | (5 |
| | ----- |
| Net Income | \$ 11,7 |
| | ===== |
| Earnings per common share, basic and diluted | \$ 0. |
| | ===== |
| Weighted average number of common shares, basic and diluted | 45,000,0 |
| | ===== |
| BALANCE SHEET DATA | |
| | March 3 2006 |
| | ----- |
| ASSETS | (unaudite |
| ----- | |
| Cash and cash equivalents | 19,4 |
| Other current assets | 5,3 |
| Advances for vessels under construction and acquisitions and other vessel costs | |
| Vessels' net book value | 345,8 |

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| | |
|--------------------------|----------|
| Other non-current assets | 3,4 |
| | ----- |
| Total assets | \$ 373,9 |
| | ===== |

LIABILITIES AND STOCKHOLDERS' EQUITY

| | |
|--|----------|
| Current liabilities, including current portion of long term debt | 4,6 |
| Long-term debt, net of current portion | 51,1 |
| Other non-current liabilities | 2 |
| Total stockholders' equity | 317,9 |
| | ----- |
| Total liabilities and stockholders' equity | \$ 373,9 |
| | ===== |

OTHER FINANCIAL DATA

| | |
|---------------------------------------|---------|
| | Three |
| | M |
| | 2006 |
| | ----- |
| (unaudited) (unaudited) | |
| Net cash from operating activities | \$ 15,6 |
| Net cash used in investing activities | (37,9 |
| Net cash from financing activities | 20,5 |

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.

DIANA SHIPPING INC.
(registrant)

Dated: May 11, 2006

By: /s/ Anastassis Margaronis

Anastassis Margaronis
President

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