

Diana Containerships Inc.
Form 6-K
February 18, 2014

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 February 2014
Commission File Number: 001-35025

DIANA CONTAINERSHIPS INC.
(Translation of registrant's name into English)
Pendelis 18, 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): .

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 99.1 is a press release of Diana Containerships Inc. (the "Company") dated February 17, 2014 reporting the Company's financial results for the fourth quarter and year ended December 31, 2014.

The information contained in this Report on Form 6-K is hereby incorporated by reference into the Company's registration statement on Form F-3 (File no. 333-179636) filed with the U.S. Securities and Exchange Commission with an effective date of March 21, 2012.

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 CONTAINERSHIPS INC.
(registrant)

Dated: February 18, 2014

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

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For Immediate Release

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DIANA CONTAINERSHIPS INC. REPORTS FINANCIAL RESULTS
FOR THE FOURTH QUARTER AND YEAR ENDED DECEMBER 31, 2013

DECLARES CASH DIVIDEND OF \$0.15 PER SHARE
FOR THE FOURTH QUARTER

REPORTS AT-THE-MARKET OFFERING PROCEEDS

ATHENS, GREECE, February 17, 2014 – Diana Containerships Inc. (NASDAQ: DCIX), (the “Company”), a global shipping company specializing in the ownership of containerships, today reported a net loss of \$19.8 million for the fourth quarter of 2013, compared to net income of \$0.3 million for the respective period of 2012. The loss for the fourth quarter was mainly the result of \$9.7 million of impairment charges for the vessel Sardonyx, and direct sale and other charges associated with the disposal of the vessel Spinel amounting to \$12.2 million, without which the result for the fourth quarter of 2013 would have been net income of \$2.1 million, while the earnings per share, basic and diluted, would have been \$0.06 for that quarter.

Time charter revenues, net of prepaid charter revenue amortization, were \$15.5 million for the fourth quarter of 2013, compared to \$14.6 million for the same period of 2012.

Net loss for the year ended December 31, 2013 amounted to \$57.3 million, compared to net income of \$6.0 million for the same period of 2012. The loss for the year ended December 31, 2013, was mainly the result of impairment charges and direct sale and other charges totalling \$58.8 million for the vessels Madrid, Malacca, Merlion, Spinel and Sardonyx, without which the result for the year would have been net income of \$1.5 million, while the earnings per share, basic and diluted, would have been \$0.04 for the year. Time charter revenues, net of prepaid charter revenue amortization, were \$54.0 million for the year ended December 31, 2013, compared to \$56.6 million for the respective period in 2012.

Dividend Declaration

The Company has declared a cash dividend on its common stock of \$0.15 per share with respect to the fourth quarter of 2013. The cash dividend will be payable on or around March 19, 2014 to all shareholders of record as at March 4, 2014. The Company has 35,335,050 shares of common stock outstanding

At-the-Market Offering Proceeds

The Company reports that during the three months ended December 31, 2013 and up to the date hereof, the Company sold in an at-the-market offering through Deutsche Bank Securities, as sales agent, an aggregate of 1,351,890 common shares at a weighted average sales price of \$3.91, in connection with which the Company paid a total of \$106 thousand of commissions to the sales agent and received total net proceeds of \$5.2 million.

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Fleet Employment Profile (As of February 17, 2014)

Currently Diana Containerships Inc.'s fleet is employed as follows:

| Vessel | | Sister Ships* | Gross Rate (USD Per Day) | Com** | Charterer | Delivery | Redelivery Date to Owners**** | Notes |
|----------------------------------|-------|---------------|--------------------------|-----------------|---|-------------------|-------------------------------|---------|
| BUILT | TEU | | | | | Date to Charterer | | |
| Panamax Container Vessels | | | | | | | | |
| SAGITTA | | A | \$7,250 | 1.25% | A.P. Moller - Maersk A/S | 15-Mar-13 | 29-Jan-14 | |
| 2010 | 3,426 | | \$7,400 | | | 29-Jan-14 | 15-Sep-14 - 30-Nov-14 | |
| CENTAURUS | | A | \$7,500 | 3.50% | CMA CGM S.A. | 13-Aug-12 | 1-Apr-14 - 13-Jun-14 | 1,2 |
| 2010 | 3,426 | | | | | | | |
| CAP DOMINGO (ex Cap San Marco) | | B | \$22,850 | 0% | Reederei Santa Containerschiffe GmbH & Co. KG | 6-Feb-13 | 6-Feb-14 | 3,4 |
| 2001 | 3,739 | | \$23,250 | | | 6-Feb-14 | 23-Dec-14 - 23-Mar-15 | |
| CAP DOUKATO (ex Cap San Raphael) | | B | \$22,850 | 0% | Reederei Santa Containerschiffe GmbH & Co. KG | 6-Feb-13 | 6-Feb-14 | 3,4 |
| 2002 | 3,739 | | \$23,250 | | | 6-Feb-14 | 23-Dec-14 - 23-Mar-15 | |
| SARDONYX (ex APL Sardonyx) | | C | \$24,750 | 1.00% | APL (Bermuda) Ltd. | 17-Feb-12 | 12-Feb-14 | 4,5,6 |
| 1995 | 4,729 | | | | | | | |
| APL GARNET | | C | \$27,000 | 0% | NOL Liner (Pte) Ltd. | 19-Nov-12 | 20-Aug-15 - 19-Oct-15 | 4 |
| 1995 | 4,729 | | | | | | | |
| SPINEL (ex APL Spinel) | | C | \$24,750 | 1.00% | APL (Bermuda) Ltd. | 1-Mar-12 | 1-Dec-13 | 4,5,7,8 |
| 1996 | 4,729 | | | | | | | |
| HANJIN MALTA | | | \$25,550 | US\$150 per day | Hanjin Shipping Co. Ltd. | 15-Mar-13 | 30-Mar-16 - 15-May-16 | 4 |
| 1993 | 4,024 | | | | | | | |
| Post - Panamax Container Vessels | | | | | | | | |
| PUELO | | D | \$27,900 | US\$150 per day | CSAV Valparaiso | 23-Aug-13 | 23-Feb-15 - 23-Feb-16 | 9 |

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2006 6,541

| | | | | | | | |
|-------|---|----------|---------|--------------------|-----------|--------------------------|---|
| PUCON | D | \$27,900 | US\$150 | CSAV Valparaiso | 20-Sep-13 | 20-Mar-15 - 20-Mar-16 | 9 |
|-------|---|----------|---------|--------------------|-----------|--------------------------|---|

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* Each container vessel is a "sister ship", or closely similar, to other container vessels that have the same letter.

** Total commission paid to third parties.

*** Charterers' optional period to redeliver the vessel to owners. Charterers have the right to add the off hire days, if any, and therefore the optional period may be extended.

1 On June 7, 2013, the Company agreed to extend as from August 13, 2013 the initially signed charter party with CMA CGM S.A., dated August 2, 2012 for a period of minimum 6 months to maximum 10 months.

2 Based on latest information.

3 For financial reporting purposes, we recognize revenue from time charters that have varying rates on a straight-line basis equal to the average revenue during the term of that time charter. We calculate quarterly dividends based on the available cash from operations during the relevant quarter.

4 For financial reporting purposes, revenues derived from the time charter agreement will be netted off during the term of the time charter with an amortization charge of the asset that was recognized at the delivery of the vessel, being the difference of the present value of the contractual cash flows to the fair value. However, we calculate quarterly dividends based on the available cash from operations during the relevant quarter.

5 Since December 28, 2012 charterers changed to NOL Liner (Pte) Ltd.

6 Vessel sold and expected to be delivered to its new owners by the end of February 2014.

7 NOL Liner (Pte) Ltd. have agreed to compensate in full the owner for the early redelivery of the vessel on December 1, 2013 till the minimum agreed redelivery date, January 15, 2014.

8 Vessel sold and delivered to its new owners on December 19, 2013.

9 In case the vessel is redelivered to the Company in any period between the earliest and the maximum redelivery period after delivery, then the charterers will pay a lump sum equivalent to US\$6,000 per day to the owners for the outstanding period between the redelivery date and up to the 30 months.

Summary of Selected Financial & Other Data

| | For the three months ended December 31, | | For the years ended December 31, | |
|--|---|---------------------|-------------------------------------|---------------------|
| | 2013 (unaudited) | 2012 (unaudited) | 2013 (unaudited) | 2012 (unaudited) |
| INCOME STATEMENT DATA (in thousands of US Dollars): | | | | |
| Time charter revenues, net of prepaid charter revenue amortization | \$15,503 | \$14,637 | \$54,015 | \$56,631 |
| Voyage expenses | 178 | 375 | 705 | 1,404 |
| Vessel operating expenses | 7,313 | 8,809 | 30,870 | 28,969 |
| Net income / (loss) | (19,784) | 271 | (57,346) | 5,969 |
| FLEET DATA | | | | |
| Average number of vessels | 9.9 | 9.5 | 9.6 | 8.6 |
| Number of vessels | 9.0 | 10.0 | 9.0 | 10.0 |
| Ownership days | 908 | 871 | 3,516 | 3,156 |
| Available days | 908 | 871 | 3,516 | 3,156 |
| Operating days | 904 | 870 | 3,442 | 3,150 |
| Fleet utilization | 99.6 % | 99.9 % | 97.9 % | 99.8 % |
| AVERAGE DAILY RESULTS | | | | |
| Time charter equivalent (TCE) rate (1) | \$16,878 | \$16,374 | \$15,162 | \$17,499 |
| Daily vessel operating expenses (2) | \$8,054 | \$10,114 | \$8,780 | \$9,179 |

(1) Time charter equivalent rates, or TCE rates, are defined as our 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. 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 and vessel registry, expenses relating to repairs and maintenance, the costs of spares and consumable stores, lubricant costs, tonnage taxes, regulatory fees and other miscellaneous expenses, are calculated by dividing vessel operating expenses by ownership days for the relevant period.

Conference Call and Webcast Information

Diana Containerships Inc. will conduct a conference call and simultaneous Internet webcast to review these results at 9:00 A.M. (Eastern Time) on Monday, February 17, 2014.

Investors may access the webcast by visiting the Company's website at www.dcontainerships.com, and clicking on the webcast link. The conference call also may be accessed by telephone by dialing 1-877-407-8029 (for U.S.-based callers) or 1-201-689-8029 (for international callers), and asking the operator for the Diana Containerships Inc. conference call.

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A replay of the webcast will be available soon after the completion of the call and will be accessible for 30 days on www.dcontainerships.com. A telephone replay also will be available for 30 days by dialing 1-877-660-6853 (for U.S.-based callers) or 1-201-612-7415 (for international callers), and providing the Replay ID number 13574614.

About the Company

Diana Containerships Inc. is a Marshall Islands corporation founded in 2010 to own containerships and pursue containership acquisition opportunities. Diana Containerships Inc. intends to continue to capitalize on investment opportunities by purchasing additional containerships in the secondhand market, from other companies, shipyards and lending institutions, and may also enter into newbuilding contracts with shipyards for new containerships.

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 containership 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 CONTAINERSHIPS INC.

FINANCIAL TABLES

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

CONSOLIDATED STATEMENTS OF OPERATIONS

| | For the three months ended | | For the years ended | |
|---|----------------------------|-------------|---------------------|------------|
| | December 31, | | December 31, | |
| | 2013 | 2012 | 2013 | 2012 |
| | (unaudited) | (unaudited) | (unaudited) | |
| REVENUES: | | | | |
| Time charter revenues | \$20,896 | \$18,543 | \$74,337 | \$68,835 |
| Prepaid charter revenue amortization | (5,393) | (3,906) | (20,322) | (12,204) |
| Time charter revenues, net | 15,503 | 14,637 | 54,015 | 56,631 |
| EXPENSES: | | | | |
| Voyage expenses | 178 | 375 | 705 | 1,404 |
| Vessel operating expenses | 7,313 | 8,809 | 30,870 | 28,969 |
| Depreciation | 2,952 | 3,337 | 11,070 | 12,476 |
| Management fees | - | 425 | 305 | 1,551 |
| General and administrative expenses | 1,208 | 768 | 5,059 | 3,468 |
| Impairment losses | 9,697 | - | 42,323 | - |
| Loss on vessels' sale | 12,210 | - | 16,481 | - |
| Foreign currency losses / (gains) | (1) | (92) | 66 | (194) |
| Operating income / (loss) | (18,054) | 1,015 | (52,864) | 8,957 |
| OTHER INCOME / (EXPENSES): | | | | |
| Interest and finance costs | (1,741) | (772) | (4,554) | (3,066) |
| Interest Income | 11 | 28 | 72 | 78 |
| Total other expenses, net | (1,730) | (744) | (4,482) | (2,988) |
| Net income / (loss) | \$(19,784) | \$271 | \$(57,346) | \$5,969 |
| Earnings / (loss) per common share, basic and diluted | \$(0.58) | \$0.01 | \$(1.73) | \$0.22 |
| Weighted average number of common shares, basic and diluted | 34,198,357 | 32,111,969 | 33,159,328 | 26,934,533 |

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME / (LOSS)

| | For the three months | | For the years ended | |
|---------------------|----------------------|-------------|---------------------|---------|
| | ended | | December 31, | |
| | December 31, | | December 31, | |
| | 2013 | 2012 | 2013 | 2012 |
| | (unaudited) | (unaudited) | (unaudited) | |
| Net income / (loss) | \$(19,784) | \$271 | \$(57,346) | \$5,969 |

| | | | | |
|-------------------------------|-------------|-------|-------------|---------|
| Comprehensive income / (loss) | \$(19,784) | \$271 | \$(57,346) | \$5,969 |
|-------------------------------|-------------|-------|-------------|---------|

CONDENSED CONSOLIDATED BALANCE SHEET DATA

(Expressed in thousands of US Dollars)

| | 2013 | 2012 |
|---------------------------|-----------|-----------|
| ASSETS | | |
| Cash and cash equivalents | \$19,685 | \$31,526 |
| Other current assets | 3,295 | 5,386 |
| Vessels' net book value | 265,372 | 260,945 |
| Other fixed assets, net | 321 | - |
| Restricted cash | 9,870 | 9,270 |
| Prepaid charter revenue | 18,166 | 29,918 |
| Total assets | \$316,709 | \$337,045 |

LIABILITIES AND STOCKHOLDERS' EQUITY

| | | |
|--|-----------|-----------|
| Current liabilities | \$3,779 | \$6,110 |
| Long-term bank debt, net of unamortized deferred financing costs | 98,102 | 91,906 |
| Related party financing, non-current | 50,233 | - |
| Other non-current liabilities | 130 | 271 |
| Total stockholders' equity | 164,465 | 238,758 |
| Total liabilities and stockholders' equity | \$316,709 | \$337,045 |

OTHER FINANCIAL DATA

| | For the three months ended | | For the years ended | |
|---|-------------------------------|----------------------|----------------------|----------------------|
| | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Net Cash provided by Operating Activities | \$9,671 | \$6,897 | \$31,740 | \$31,346 |
| Net Cash provided by / (used in) Investing Activities | 8,028 | (30,087) | (81,663) | (149,960) |
| Net Cash provided by / (used in) Financing Activities | (1,524) | (9,657) | 38,082 | 108,786 |