

DIANA SHIPPING INC.  
Form 20-F  
March 31, 2011

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report. ....

Commission file number 001-32458

DIANA SHIPPING INC.  
(Exact name of Registrant as specified in its charter)  
Diana Shipping Inc.

(Translation of Registrant's name into English)

Republic of The Marshall Islands  
(Jurisdiction of incorporation or organization)

Pendelis 16, 175 64 Palaio Faliro, Athens, Greece  
(Address of principal executive offices)

Mr. Ioannis Zafirakis  
Tel: + 30-210-9470-100, Fax: + 30-210-9470-101  
E-mail: izafirakis@dianashippinginc.com  
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

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Title of each class	Name of each exchange on which registered
Common stock, \$0.01 par value	New York Stock Exchange
Preferred stock purchase rights	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

\_\_\_\_\_  
None  
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

\_\_\_\_\_  
None

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Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As of December 31, 2010, there were 81,955,813 shares of the registrant's common stock outstanding

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
 Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.  
 Yes  No

Note-Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer   
Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP  International Financial Reporting Standards as  
issued  Other   
by the International Accounting Standards Board

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.  
 Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
 Yes  No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes  No

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## TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS		4
PART I		
Item 1.	Identity of Directors, Senior Management and Advisers	5
Item 2.	Offer Statistics and Expected Timetable	5
Item 3.	Key Information	5
Item 4.	Information on the Company	27
Item 4A.	Unresolved Staff Comments	46
Item 5.	Operating and Financial Review and Prospects	46
Item 6.	Directors, Senior Management and Employees	65
Item 7.	Major Shareholders and Related Party Transactions	70
Item 8.	Financial Information	73
Item 9.	The Offer and Listing	74
Item 10.	Additional Information	74
Item 11.	Quantitative and Qualitative Disclosures about Market Risk	83
Item 12.	Description of Securities Other than Equity Securities	84
PART II		
Item 13.	Defaults, Dividend Arrearages and Delinquencies	85
Item 14.	Material Modifications to the Rights of Security Holders and Use of Proceeds	85
Item 15.	Controls and Procedures	85
Item 16A.	Audit Committee Financial Expert	86
Item 16B.	Code of Ethics	86
Item 16C.	Principal Accountant Fees and Services	86
Item 16D.	Exemptions from the Listing Standards for Audit Committees	87
Item 16E.	Purchases of Equity Securities by the Issuer and Affiliated Purchasers	87
Item 16F.	Change in Registrant's Certifying Accountant	87
Item 16G.	Corporate Governance	87
PART III		
Item 17.	Financial Statements	89
Item 18.	Financial Statements	89
Item 19.	Exhibits	89

## FORWARD-LOOKING STATEMENTS

Diana Shipping Inc., or 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. This document and any other written or oral statements made by us or on our behalf may include forward-looking statements, which reflect our current views with respect to future events and financial performance. The words "believe", "except," "anticipate," "intends," "estimate," "forecast," "project," "plan," "potential," "may," "should," "expect" and similar expressions identify forward-looking statements.

Please note in this annual report, "we", "us", "our" and "the Company" all refer to Diana Shipping Inc. and its subsidiaries.

The forward-looking statements in this document 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 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 and matters discussed elsewhere herein, 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, fluctuations in currencies and interest rates, general market conditions, including fluctuations in charter hire rates and vessel values, changes in demand in the dry-bulk shipping industry, changes in the Company's operating expenses, including bunker prices, drydocking and insurance costs, 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, and other important factors described from time to time in the reports filed by the Company with the Securities and Exchange Commission, or the SEC.

## PART I

## Item 1. Identity of Directors, Senior Management and Advisers

Not Applicable.

## Item 2. Offer Statistics and Expected Timetable

Not Applicable.

## Item 3. Key Information

## A. Selected Financial Data

The following table sets forth our selected consolidated financial data and other operating data. The selected consolidated financial data in the table as of December 31, 2010, 2009, 2008, 2007 and 2006 are derived from our audited consolidated financial statements and notes thereto which have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The following data should be read in conjunction with Item 5. "Operating and Financial Review and Prospects", the consolidated financial statements, related notes and other financial information included elsewhere in this annual report.

	As of and for the Year Ended December 31,				
	2010	2009	2008	2007	2006
	(in thousands of U.S. dollars, except for share and per share data and average daily results)				
<b>Income Statement Data:</b>					
Time charter revenues	\$ 275,448	\$ 239,342	\$ 337,391	\$ 190,480	\$ 116,101
Voyage expenses	12,392	11,965	15,003	8,697	6,059
Vessel operating expenses	52,585	41,369	39,899	29,332	22,489
Depreciation and amortization of deferred charges	53,083	44,686	43,259	24,443	16,709
Management fees	-	-	-	-	573
Executive management services and rent	-	-	-	-	76
General and administrative expenses	25,347	17,464	13,831	11,718	6,331
Gain on vessel sale	-	-	-	(21,504 )	-
Foreign currency gains	(1,598 )	(478 )	(438 )	(144 )	(52 )

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Operating income	133,639	124,336	225,837	137,938	63,916
Interest and finance costs	(5,213 )	(3,284 )	(5,851 )	(6,394 )	(3,886 )
Interest income	920	951	768	2,676	1,033



	As of and for the				
	Year Ended December 31,				
	2010	2009	2008	2007	2006
	(in thousands of U.S. dollars,				
	except for share and per share data and average daily results)				
Loss from derivative instruments	(1,477 )	(505 )	-	-	-