

DIANA SHIPPING INC.  
Form 6-K  
November 13, 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 November 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: \_\_\_\_

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INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached to this Report on Form 6-K as Exhibit 1 is a press release dated November 12, 2008 of Diana Shipping Inc. (the "Company") announcing its financial results for the third quarter and first nine months of 2008, as well as announcing declaration of a dividend and suspension of future dividends.

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.

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For Immediate Release

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DIANA SHIPPING INC. REPORTS FINANCIAL RESULTS  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2008

DECLARES CASH DIVIDEND OF \$0.95 PER SHARE  
FOR THE THIRD QUARTER AND SUSPENDS FUTURE DIVIDENDS TO POSITION  
THE COMPANY FOR MARKET OPPORTUNITIES

BOARD OF DIRECTORS AUTHORIZES SHARE REPURCHASE PROGRAM

ATHENS, GREECE, November 12, 2008 – Diana Shipping Inc. (NYSE: DSX), a global shipping company specializing in the transportation of dry bulk cargoes, today reported net income of \$57.6 million for the third quarter of 2008. This compared to net income of \$50.4 million reported in the third quarter of 2007.

Voyage and time charter revenues were \$87.4 million for the third quarter of 2008, compared to \$49.1 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 nine months ended September 30, 2008 amounted to \$167.5 million, compared to net income of \$97.8 million for the same period of 2007. Voyage and time charter revenues were \$253.1 million for the first nine months of 2008, compared to \$131.6 million for the same period of 2007.

Dividend Declaration and Change in Future Dividend Policy

The Company has declared a cash dividend on its common stock of \$0.95 per share, based on its results of operations during the third quarter ended September 30, 2008. The cash dividend will be payable on or about December 11, 2008 to shareholders of record as of November 26, 2008. The Company has 75.1 million shares of common stock outstanding.

In order to position the Company to take advantage of market opportunities, the Board of Directors has decided to suspend the Company's future dividend payments after the dividend distribution noted above. The Board believes this decision will enhance the Company's financial flexibility, by permitting cash flow that would have been devoted to dividends to be used for opportunities that may arise in the current marketplace.

Initiation of Stock Buyback Plan

The Company has further announced that the Board of Directors has authorized a share buyback program for up to US \$100 million of the Company's common shares during the period ending December 31, 2009.

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## Chairman and Chief Executive Officer's Comments

Simeon Palios, Chairman and CEO of Diana Shipping, said: "Our consistent strategy at Diana Shipping has been to maximize returns to shareholders taking into account the highly cyclical nature of the dry bulk shipping industry. We have delivered on our strategy. Since we went public in 2005, Diana Shipping Inc. has produced a total annualized rate of return to shareholders of more than 27%. This performance compares very favorably to that of the other drybulk shares, as well as to that of the S&P 500 over the same period. We produced this return during a period of high vessel prices and high charter rates by employing low debt levels and a full dividend payout policy to create a modern fleet.

"We believe we are now entering a period of low charter rates and vessel prices which creates different opportunities to help us produce maximum returns. A suspension of our dividend will enable us to apply our cash flow to these opportunities when we believe we can create long-term value for shareholders.

"Low markets create opportunities. In 1999, we ordered the construction of the Nirefs and three other Panamax vessels currently in our fleet for a contract price of \$20 million each, using 75% debt financing. While past performance is not indicative of future results, as you can imagine, our results from the Nirefs and its sister ships have been very good. While we are paying our full dividend for the third quarter, we are suspending future dividends during this period of changed, but enhanced opportunity.

"Our Company has one of the lowest debt levels in the drybulk shipping industry. By enhancing our liquidity resources while maintaining our relatively low level of debt, we are preparing ourselves to take advantage of investment opportunities, which will present themselves during this downturn. We have accepted slightly lower rates in order to do business with creditworthy charterers. We have a young fleet ready to meet a change in the market as the downturn ends. In addition, we believe that the present credit crunch will create new market opportunities as there are fewer buyers and lower vessel prices, but also fewer new ships delivered from the shipyards due to financing constraints.

"When market conditions and opportunities change, with our low debt level and by enhancing our liquidity, we will then have the flexibility to support more debt and reinstate our dividend. Management and Board members own over 19% of the shares of Diana and we care about shareholder value."

## Fleet Employment Profile (As of November 10, 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 | \$59,000     | Aug 18, 2011 – Nov 18, 2011    |
| Calipso | B              | 2005       | 73,691 | \$55,000     | Jan 15, 2009 – Mar 15, 2009    |

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|                     |   |      |         |           |                             |
|---------------------|---|------|---------|-----------|-----------------------------|
| Clio                | B | 2005 | 73,691  | \$27,000  | Jan 27, 2009 – Mar 27, 2009 |
| Thetis              | B | 2004 | 73,583  | \$61,000  | Jan 6, 2009 – Feb 5, 2009   |
|                     | B |      |         | \$34,000  | Aug 24, 2009 – Oct 24, 2009 |
| Naias               |   | 2006 | 73,546  |           |                             |
| 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 |      |         | \$52,000  | Sep 28, 2011 – Dec 28, 2011 |
|                     |   | 2007 | 177,828 |           | 6                           |
| Salt Lake City      | - |      |         | \$55,800  | Aug 28, 2012 – Oct 28, 2012 |
|                     |   | 2005 | 171,810 |           |                             |
| Norfolk             | - |      |         | \$74,750  | Jan 12, 2013 – Mar 12, 2013 |
|                     |   | 2002 | 164,218 |           |                             |
| New York 7, 8, 9    | D |      |         | \$48,000  | Feb 28, 2015 – Jun 30, 2015 |
|                     |   | 2010 | 177,000 |           |                             |
| Los Angeles 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 New York or Los Angeles to the charterer. The gross rate will vary as follows: US\$50,000 per day for delivery between

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October 1, 2009 and January 31, 2010 or US\$48,000 per day for delivery between February 1, 2010 and April 30, 2010.

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## Summary of Selected Financial &amp; Other Data

|  | Three Months Ended |             | Nine Months Ended |             |
|--|--------------------|-------------|-------------------|-------------|
|  | September 30,      |             | September 30,     |             |
|  | 2008               | 2007        | 2008              | 2007        |
|  | (unaudited)        | (unaudited) | (unaudited)       | (unaudited) |
| <b>INCOME STATEMENT DATA (in thousands of US Dollars):</b> |                    |             |                   |             |
| Voyage and time charter revenues                           | \$ 87,408          | \$ 49,086   | \$ 253,052        | \$ 131,591  |
| Voyage expenses  | 3,528              | 2,348       | 10,168            | 6,028       |
| Vessel operating expenses                                  | 10,908             | 7,397       | 29,980            | 20,826      |
| Net income   | 57,591             | 50,384      | 167,539           | 97,847      |
| <b>FLEET DATA</b>  |                    |             |                   |             |
| Average number of vessels                                  | 19.0               | 16.1        | 18.9              | 15.6        |
| Number of vessels  | 19.0               | 16.0        | 19.0              | 16.0        |
| Weighted average age of fleet (in years)                   | 4.0                | 3.7         | 4.0               | 3.3         |
| Ownership days   | 1,748              | 1,477       | 5,165             | 4,271       |
| Available days   | 1,740              | 1,477       | 5,157             | 4,271       |
| Operating days   | 1,739              | 1,476       | 5,151             | 4,240       |
| Fleet utilization  | 99.9%              | 99.9%       | 99.9%             | 99.3%       |
| <b>AVERAGE DAILY RESULTS</b>                               |                    |             |                   |             |
| Time charter equivalent (TCE) rate (1)                     | \$ 48,207          | \$ 31,644   | \$ 47,098         | \$ 29,399   |
| Daily vessel operating expenses (2)                        | \$ 6,240           | \$ 5,008    | \$ 5,804          | \$ 4,876    |

(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. 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 Standard Time) on Wednesday, November 12, 2008.

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 webcast also is accessible at [www.viavid.net](http://www.viavid.net), by clicking on the Diana Shipping link under "Events". The conference call also may be accessed by telephone by dialing 1-800-762-8779 (for U.S.-based callers) or 1-480-629-9041 (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](http://www.dianashippinginc.com) and [www.viavid.net](http://www.viavid.net). A telephone replay will be available by dialing 1-800-406-7325 (for U.S.-based callers) or 1-303-590-3030 (for international callers); callers must use the PIN number 3934891.



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.

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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 |             | Nine Months Ended |             |
|---|--------------------|-------------|-------------------|-------------|
|   | September 30,      |             | September 30,     |             |
|   | 2008               | 2007        | 2008              | 2007        |
|   | (unaudited)        | (unaudited) | (unaudited)       | (unaudited) |
| <b>REVENUES:</b>                                      |                    |             |                   |             |
| Voyage and time charter revenues                      | \$ 87,408          | \$ 49,086   | \$ 253,052        | \$ 131,591  |
| <b>EXPENSES:</b>                                      |                    |             |                   |             |
| Voyage expenses                                       | 3,528              | 2,348       | 10,168            | 6,028       |
| Vessel operating expenses                             | 10,908             | 7,397       | 29,980            | 20,826      |
| Depreciation and amortization of deferred charges     | 11,034             | 6,625       | 32,243            | 16,848      |
| General and administrative expenses                   | 3,267              | 2,221       | 10,725            | 6,636       |
| Gain on vessel sale                                   | -                  | (21,504)    | -                 | (21,504)    |
| Foreign currency losses (gains)                       | (248)              | (41)        | (354)             | (158)       |
| Operating income                                      | 58,919             | 52,040      | 170,290           | 102,915     |
| <b>OTHER INCOME (EXPENSES):</b>                       |                    |             |                   |             |
| Interest and finance costs                            | (1,384)            | (1,867)     | (4,400)           | (5,767)     |
| Interest Income                                       | 56                 | 211         | 704               | 699         |
| Insurance settlement for vessel un-repaired damages   | -                  | -           | 945               | -           |
| Total other income (expenses), net                    | (1,328)            | (1,656)     | (2,751)           | (5,068)     |
| Net Income  | \$ 57,591          | \$ 50,384   | \$ 167,539        | \$ 97,847   |
| Less: Dividends paid on restricted stock              | (69)               | -           | (178)             | -           |
| Net income available to common shareholders           | \$ 57,522          | \$ 50,384   | \$ 167,361        | \$ 97,847   |
| Earnings/(losses) per common share, basic and diluted | \$ 0.77            | \$ 0.78     | \$ 2.25           | \$ 1.63     |
| Weighted average number of common shares, basic       | 74,375,000         | 64,184,783  | 74,375,000        | 60,168,040  |
| Weighted average number of common shares, diluted     | 74,377,885         | 64,184,783  | 74,377,694        | 60,168,040  |

## BALANCE SHEET DATA

|   | September 30,<br>2008<br>(unaudited) | December 31,<br>2007 |
|---|--------------------------------------|----------------------|
| <b>ASSETS</b>   |                                      |                      |
| Cash and cash equivalents   | 4,761                                | 16,726               |
| Other current assets  | 4,214                                | 4,788                |
| Advances for vessels under construction and acquisitions and other vessel costs | 26,947                               | 53,104               |
| Vessels' net book value   | 971,347                              | 867,632              |
| Other fixed assets, net   | 864                                  | 956                  |
| Other non-current assets  | 840                                  | 1,136                |
| <b>Total assets</b>   | <b>1,008,973</b>                     | <b>944,342</b>       |

LIABILITIES AND STOCKHOLDERS'  
EQUITY

|   |                  |                |
|---|------------------|----------------|
| Current liabilities                               | 19,789           | 20,964         |
| Long-term debt                                    | 172,595          | 98,819         |
| Deferred revenue, non current portion             | 23,616           | 23,965         |
| Other non-current liabilities                     | 1,195            | 1,120          |
| <b>Total stockholders' equity</b>                 | <b>791,778</b>   | <b>799,474</b> |
| <b>Total liabilities and stockholders' equity</b> | <b>1,008,973</b> | <b>944,342</b> |

## OTHER FINANCIAL DATA

|  | Three Months Ended September<br>30, |                     | Nine Months Ended September 30, |                     |
|--|-------------------------------------|---------------------|---------------------------------|---------------------|
|  | 2008<br>(unaudited)                 | 2007<br>(unaudited) | 2008<br>(unaudited)             | 2007<br>(unaudited) |
| Net cash from operating activities             | \$ 67,266                           | \$ 37,748           | \$ 198,127                      | \$ 98,397           |
| Net cash from / (used in) investing activities | (260)                               | 78,374              | (108,389)                       | (152,965)           |
| Net cash from / (used in) financing activities | (84,950)                            | 62,677              | (101,703)                       | 230,479             |

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: November 12, 2008

By: /s/ Anastassis Margaronis  
Anastassis Margaronis  
President

SK 23159 0002 937616