

Navios Maritime Holdings Inc.

Form 6-K

November 28, 2014

Table of Contents

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

Dated: November 28, 2014

Commission File No. 001-33311

NAVIOS MARITIME HOLDINGS INC.

7 Avenue de Grande Bretagne, Office 11B2

Monte Carlo, MC 98000 Monaco

(Address of Principal Executive Offices)

Edgar Filing: Navios Maritime Holdings Inc. - Form 6-K

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 if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

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):

Yes No

Table of Contents

The information contained in this Report is incorporated by reference into the Registration Statement on Form F-3, File No. 333-189231, the Registration Statement on Form S-8, File No. 333-147186, and the related prospectuses.

Operating and Financial Review and Prospects

The following is a discussion of the financial condition and results of operations of Navios Maritime Holdings Inc. (Navios Holdings or the Company) for the three and nine month periods ended September 30, 2014 and 2013. Navios Holdings financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America (U.S. GAAP). You should read this section together with the consolidated financial statements and the accompanying notes included in Navios Holdings 2013 annual report on Form 20-F filed with the Securities and Exchange Commission (SEC) and the condensed consolidated financial statements and the accompanying notes included elsewhere in this Form 6-K.

This report contains forward-looking statements within the meaning of the Private Securities Reform Act of 1995. All statements herein other than statements of historical fact, including statements regarding business and industry prospects or future results of operations or financial position, should be considered forward-looking. These forward looking statements are based on Navios Holdings current expectations and observations. Included among the factors that, in management s view, could cause actual results to differ materially from the forward-looking statements contained in this report are changes in any of the following: (i) charter demand and/or charter rates; (ii) production or demand for the types of drybulk products that are transported by Navios Holdings vessels; (iii) operating costs including, but not limited to, changes in crew salaries, insurance, provisions, repairs, maintenance and overhead expenses; or (iv) changes in interest rates. Other factors that could cause our actual results to differ from our current expectations and observations include, but are not limited to, those discussed under Part I, Item 3D Risk Factors in Navios Holdings 2013 annual report on Form 20-F. All forward-looking statements made in this report speak only as of the date of this document. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Recent Developments

Fleet Update

On November 24, 2014, Navios Holdings acquired a 2012-built 179,515 dwt South Korean Capesize vessel, the Navios Ray, for a purchase price of \$51.4 million. Navios Holdings entered into a facility with Alpha Bank A.E. for an amount of \$31.0 million in order to finance part of the vessel s acquisition cost. The loan bears interest at a rate of LIBOR plus 300 basis points and is repayable in 32 quarterly installments of \$0.4 million, with a final balloon payment of \$16.6 million on the last repayment date.

Navios South American Logistics Inc. (Navios Logistics)

On August 22, 2014, Navios Logistics entered into an agreement for the acquisition of a second-hand bunker vessel, for a purchase price of \$4.2 million. The vessel was delivered on September 5, 2014 and is set to service a three-year time charter contract at \$16,525 net per day, in the cabotage business, adjusted for crew cost and foreign exchange differences.

Dividend Policy

On November 19, 2014, the Board of Directors declared a quarterly cash dividend for the third quarter of 2014 of \$0.06 per share of common stock. The dividend is payable on December 18, 2014 to stockholders of record as of

December 11, 2014. The declaration and payment of any further dividends remains subject to the discretion of the Board, and will depend on, among other things, Navios Holdings' cash requirements after taking into account market opportunities, restrictions under its credit agreements, indentures and other debt obligations and such other factors as the Board may deem advisable.

Dividends from Affiliates

In November 2014, Navios Holdings received \$7.5 million from Navios Maritime Partners L.P. (Navios Partners) representing the cash distribution for the third quarter of 2014.

In October 2014, Navios Holdings received \$3.6 million from Navios Maritime Acquisition Corporation (Navios Acquisition) representing the cash dividend for the second quarter of 2014.

Table of Contents

Conversion of Preferred Stock

During the nine month period ended September 30, 2014, 1,410 shares of convertible preferred stock were automatically converted into 1,410,000 shares of common stock. The conversion resulted from their original terms, which provided that five years after the issuance date of the shares of the convertible preferred stock, 30% of the then-outstanding shares of preferred stock shall automatically convert into shares of common stock at a conversion price equal to \$10.00 per common stock.

Navios Holdings had outstanding as of September 30, 2014 and December 31, 2013, 105,833,906 and 104,261,029 shares of common stock, respectively, and 75,069 (20,000 Series G Cumulative Redeemable Perpetual Preferred Stock issued in January 2014 (the Series G), 48,000 Series H Cumulative Redeemable Perpetual Preferred Stock issued in July 2014 (the Series H) and 7,069 shares of convertible preferred stock) and 8,479 shares of convertible preferred stock, respectively.

Overview

General

Navios Holdings is a global, vertically integrated seaborne shipping and logistics company focused on the transport and transshipment of drybulk commodities, including iron ore, coal and grain. Navios Holdings technically and commercially manages its owned fleet, Navios Acquisition's fleet, Navios Partners' fleet and Navios Europe Inc.'s (Navios Europe) fleet, and commercially manages its chartered-in fleet. Navios Holdings has in-house ship management expertise that allows it to oversee every step of ship management, including the shipping operations throughout the life of the vessels and the superintendence of maintenance, repairs and drydocking.

On August 25, 2005, Navios Holdings was acquired by International Shipping Enterprises, Inc. (ISE) through the purchase of all of the outstanding shares of common stock of Navios Holdings. As a result of this acquisition, Navios Holdings became a wholly owned subsidiary of ISE. In addition, on August 25, 2005, simultaneously with the acquisition of Navios Holdings, ISE effected a reincorporation from the State of Delaware to the Republic of the Marshall Islands through a downstream merger with and into its newly acquired wholly owned subsidiary, whose name was and continues to be Navios Maritime Holdings Inc.

Navios Logistics

Navios Logistics, a consolidated subsidiary of Navios Holdings, is one of the largest logistics companies in the Hidrovia region of South America, serving the storage and marine transportation needs of its customers through two port storage and transfer facilities, one for grain commodities and the other for refined petroleum products, and a diverse fleet consisting of vessels, barges and pushboats. Navios Holdings currently owns 63.8% of Navios Logistics.

Affiliates (not consolidated under Navios Holdings)

Navios Partners (NYSE:NMM) is an international owner and operator of dry cargo vessels and is engaged in seaborne transportation services of a wide range of drybulk commodities including iron ore, coal, grain and fertilizer, chartering its vessels under medium to long-term charters. Currently, Navios Holdings owns a 20.0% interest in Navios Partners, including a 2.0% general partner interest.

Navios Acquisition (NYSE: NNA), an affiliate (former subsidiary) of the Company, is an owner and operator of tanker vessels focusing in the transportation of petroleum products (clean and dirty) and bulk liquid chemicals.

Edgar Filing: Navios Maritime Holdings Inc. - Form 6-K

Currently, Navios Holdings' ownership of the outstanding voting stock of Navios Acquisition is 43.1% and its economic interest in Navios Acquisition is 46.4%.

Navios Europe is engaged in the marine transportation industry through the ownership of five tankers and five container vessels. Currently, Navios Holdings holds a 47.5% interest in Navios Europe. As of November 2014, Navios Holdings, Navios Acquisition and Navios Partners have effective voting interest of 50%, 50% and 0%, respectively.

Table of Contents**Fleet**

The following is the current core fleet employment profile (excluding Navios Logistics), including the newbuilds to be delivered. The current core fleet consists of 64 vessels totaling 6.4 million dwt. The employment profile of the fleet as of November 25, 2014 is reflected in the tables below. The 55 vessels in current operation aggregate approximately 5.5 million dwt and have an average age of 7.5 years. Navios Holdings has currently fixed 97.9% and 19.3% including index-linked charters of available days for 2014 and 2015, respectively, of its fleet (excluding vessels which are utilized to fulfill Contracts of Affreightment (COAs)), representing contracted fees (net of commissions), based on contracted charter rates from our current charter agreements of \$205.1 million and \$28.8 million, respectively.

Although these fees are based on contractual charter rates, any contract is subject to performance by the counterparties and us. Additionally, the level of these fees would decrease depending on the vessels off-hire days to perform periodic maintenance. The average contractual daily charter-out rate for the core fleet (excluding vessels which are utilized to fulfill COAs) is \$12,150 and \$18,533 for 2014 and 2015, respectively. The average daily charter-in rate for the active long-term charter-in vessels (excluding vessels which are utilized to fulfill COAs) for 2014 is \$13,389.

Owned Fleet. Navios Holdings owns a fleet comprised of 14 Ultra Handymax vessels, 13 Capesize vessels, 12 Panamax vessels and one Handysize vessel, which have an average age of approximately 8.0 years. Of the 40 owned vessels, 38 are currently in operation and two newbuilding owned vessels are expected to be delivered in the third and fourth quarter of 2015.

Vessels	Type	Built	DWT	Charter-out Rate ⁽¹⁾	Profit Share	Expiration Date ⁽²⁾
Navios Serenity	Handysize	2011	34,690	7,600	No	12/06/2014
Navios Ionian	Ultra Handymax	2000	52,067	8,550	No	12/02/2014
Navios Celestial	Ultra Handymax	2009	58,063	9,364	70% in excess of \$8,000 basis Supramax Index Routes +8%	11/27/2014 07/16/2015
Navios Vector	Ultra Handymax	2002	50,296	10,206	50% in excess of \$9,000 basis Supramax Index Routes	11/30/2014 03/20/2015
Navios Horizon	Ultra Handymax	2001	50,346	11,970	No	01/24/2015
Navios Herakles	Ultra Handymax	2001	52,061	9,025	No	04/19/2015
Navios Achilles	Ultra Handymax	2001	52,063	6,888	No	12/07/2014
Navios Meridian	Ultra Handymax	2002	50,316	8,550	No	12/20/2014
Navios Mercator	Ultra Handymax	2002	53,553	9,928	No	12/06/2014
Navios Arc	Ultra Handymax	2003	53,514	11,400	No	01/16/2015
Navios Hios	Ultra Handymax	2003	55,180	10,199	100% in excess of \$8,500 basis Supramax Index Routes	11/30/2014 08/07/2015
Navios Kypros	Ultra Handymax	2003	55,222	10,925	No	12/25/2014
Navios Ulysses	Ultra Handymax	2007	55,728	9,500	No	12/30/2014
Navios Vega	Ultra Handymax	2009	58,792	9,427	100% in excess of \$9,500 basis	12/10/2014 03/22/2015

Edgar Filing: Navios Maritime Holdings Inc. - Form 6-K

					Supramax Index Routes	
					+5%	
Navios Astra	Ultra Handymax	2006	53,468	7,933	No	12/22/2014
Navios Magellan	Panamax	2000	74,333	6,182	Weighted average basis	12/03/2014
					Panamax Index Routes	05/22/2015
					+2%	
Navios Star	Panamax	2002	76,662	9,500	No	01/25/2015

Table of Contents

Navios Asteriks	Panamax	2005	76,801	9,500		12/11/2014
Navios Centaurus	Panamax	2012	81,472	11,590	No	03/09/2015
Navios Avior	Panamax	2012	81,355	7,152	Weighted average basis Panamax Index Routes +14%	12/07/2014 04/25/2015
Navios Galileo	Panamax	2006	76,596	8,550	No	12/14/2014
Navios Northern Star	Panamax	2005	75,395	8,566	No	01/03/2015
Navios Amitie	Panamax	2005	75,395	11,210	No	12/17/2014
Navios Taurus	Panamax	2005	76,596	6,658	Weighted average basis Panamax Index Routes +7%	12/04/2014 05/22/2015
N Amalthia	Panamax	2006	75,318	12,113	No	12/07/2014
N Bonanza	Panamax	2006	76,596	13,538	No	01/12/2015
Navios Bonavis	Capesize	2009	180,022	15,240	105% in excess of \$14,000 basis Baltic Capesize Index 4TC Index Routes	11/30/2014 06/10/2015
Navios Happiness	Capesize	2009	180,022	14,488	No	11/03/2015
Navios Lumen	Capesize	2009	180,661	15,142 ⁽⁶⁾	105% in excess of \$15,000 basis Baltic Capesize Index 4TC Index Routes	12/05/2014 05/08/2015
Navios Stellar	Capesize	2009	169,001	19,000	No	11/29/2014
Navios Phoenix	Capesize	2009	180,242	25,175	No	12/31/2014 ⁽⁵⁾
Navios Antares	Capesize	2010	169,059	16,645	\$10,000 +54% of the basis Baltic Capesize Index average 4TC Index Routes	12/05/2014 02/16/2015
Navios Etoile	Capesize	2010	179,234	29,356	50% in excess of \$38,500	12/02/2020
Navios Bonheur	Capesize	2010	179,259	16,169	105% in excess of \$15,000 basis Baltic Capesize Index 4TC Index Routes	12/06/2014 03/13/2015
Navios Altamira	Capesize	2011	179,165	22,325	No	01/17/2016
Navios Azimuth	Capesize	2011	179,169	20,900	No	02/03/2015
Navios Gem	Capesize	2014	181,336	20,000	No	01/05/2015
Navios Ray	Capesize	2012	179,515		No	

Owned Fleet to be Delivered

Vessels	Vessel Type	Delivery Date	Deadweight (in metric tons)
Navios Sphera	Panamax	Q3 2015	84,000
Navios TBN	Capesize	Q4 2015	180,600

Table of Contents

Long-Term Fleet. In addition to the 40 owned vessels, Navios Holdings controls a fleet of six Capesize, eleven Panamax, six Ultra Handymax, and one Handysize vessels under long-term charter-in contracts, which have an average age of approximately 6.5 years. Of the 24 chartered-in vessels, 17 are currently in operation and seven are scheduled for delivery at various times through November 2016, as set forth in the following table:

Long-term Chartered-in Vessels

Vessels	Type	Built	DWT	Purchase Option ⁽³⁾	Charter-out Rate ⁽¹⁾	Expiration Date ⁽²⁾
Navios Lyra	Handysize	2012	34,718	Yes ⁽⁴⁾	11,484	01/20/2015
Navios Primavera	Ultra Handymax	2007	53,464	Yes	9,500	12/22/2014
Navios Armonia	Ultra Handymax	2008	55,100	No	9,263	04/22/2015
Navios Apollon	Ultra Handymax	2000	52,073	No	6,175	12/12/2014
Navios Oriana	Ultra Handymax	2012	61,442	Yes	10,450	11/22/2014
Navios Mercury	Ultra Handymax	2013	61,393	Yes	9,553 ⁽⁷⁾	11/17/2014
						⁽⁷⁾ 07/20/2015
Navios Libra II	Panamax	1995	70,136	No	9,168	11/27/2014
Navios Altair	Panamax	2006	83,001	No	9,025	01/15/2015
Navios Esperanza	Panamax	2007	75,356	No	8,218	03/15/2015
Navios Marco Polo	Panamax	2011	80,647	Yes	7,026 ⁽⁸⁾	11/12/2014
						⁽⁸⁾ 06/14/2015
Navios Southern Star	Panamax	2013	82,224	Yes	10,138 ⁽⁹⁾	11/15/2014
						⁽⁹⁾ 03/01/2015
Navios Koyo	Capesize	2011	181,415	Yes	15,229 ⁽¹⁰⁾	11/19/2014
						⁽¹⁰⁾ 05/19/2015
Golden Heiwa	Panamax	2007	76,662	No		
Beaufiks	Capesize	2004	180,310	Yes		
Rubena N	Capesize	2006	203,233	No		
King Ore	Capesize	2010	176,800	No		
Navios Obeliks	Capesize	2012	181,415	Yes		

Long-term Chartered-in Vessels to be Delivered

Vessels	Type	Delivery Date	Purchase Option	DWT
Navios Venus	Ultra Handymax	02/2015	Yes	61,000
Navios Amber	Panamax	05/2015	Yes	80,000
Navios TBN	Panamax	07/2015	Yes	82,000
Navios TBN	Panamax	11/2016	Yes	84,000
Navios TBN	Panamax	11/2016	Yes	81,000
Navios TBN	Panamax	11/2016	Yes	81,000

Navios Felix	Capesize	04/2016	Yes	180,000
--------------	----------	---------	-----	---------

- (1) Daily rate net of commissions. These rates do not include insurance proceeds received upfront in November 2012 and March 2014.
- (2) Expected redelivery basis midpoint of full redelivery period.
- (3) Generally, Navios Holdings may exercise its purchase option after three to five years of service.
- (4) Navios Holdings holds the initial 50% purchase option on the vessel.
- (5) Subject to COA of \$45,500 per day for the remaining period until first quarter of 2015.
- (6) Amount represents daily rate of mitigation proceeds following the restructuring of the original charter.
- (7) Based on weighted average Supramax Index Routes +12%.
- (8) Based on average Panamax Index 4TC Routes +15%.
- (9) Based on weighted average Panamax Index routes +17%.
- (10) 110% in excess of \$15,000 basis Baltic Capesize Index 4TC.

Many of Navios Holdings' current long-term chartered-in vessels are chartered from ship owners with whom Navios Holdings has long-standing relationships. Navios Holdings pays these ship owners daily rates of hire for such vessels, and then

Table of Contents

charters out these vessels to other parties, who pay Navios Holdings a daily rate of hire. Navios Holdings also enters into COAs pursuant to which Navios Holdings has agreed to carry cargoes, typically for industrial customers, who export or import drybulk cargoes. Further, Navios Holdings enters into spot market voyage contracts, where Navios Holdings is paid a rate per ton to carry a specified cargo from point A to point B.

Short-Term Fleet. Navios Holdings short-term fleet is comprised of Capesize, Panamax and Ultra Handymax vessels chartered-in for durations of less than 12 months. The number of short-term vessels varies from time to time. These vessels are not included in the core fleet of the Company.

Charter Policy and Industry Outlook

Navios Holdings policy has been to take a portfolio approach to managing operating risks. This policy led Navios Holdings to time charter-out many of the vessels that it is presently operating (i.e., vessels owned by Navios Holdings or which Navios Holdings has taken into its fleet under charters having a duration of more than 12 months) for periods of up to 10 years at inception to various shipping industry counterparties considered by Navios Holdings to have appropriate credit profiles. By doing this, Navios Holdings aims to lock in, subject to credit and operating risks, favorable forward revenue and cash flows which it believes will cushion it against unfavorable market conditions. In addition, Navios Holdings trades additional vessels taken in on shorter term charters of less than 12 months duration as well as voyage charters or COAs and forward freight agreements (FFAs).

In 2013 and through September 30, 2014, this chartering policy had the effect of generating Time Charter Equivalents (TCE) that were higher than spot employment. The average daily charter-in vessel cost for the Navios Holdings long-term charter-in fleet (excluding vessels, which are utilized to serve voyage charters or COAs) was \$13,485 per day for the nine month period ended September 30, 2014. The average long-term charter-in hire rate per vessel per day was included in the amount of long-term hire included elsewhere in this document and was computed by (a) multiplying (i) the daily charter-in rate for each vessel by (ii) the number of days each vessel is in operation for the year; (b) summing those individual multiplications; and (c) dividing such total by the total number of charter-in vessel days for the year. These rates exclude gains and losses from FFAs. Furthermore, Navios Holdings has the ability to increase its owned fleet through purchase options exercisable in the future at favorable prices relative to the then-current market.

Navios Holdings believes that a decrease in global commodity demand from its current level, and the delivery of drybulk carrier new buildings into the world fleet, could have an adverse impact on future revenue and profitability. However, Navios Holdings believes that the operating cost advantage of its owned vessels and long-term chartered fleet, which overall is chartered-in at favorable rates, will continue to help mitigate the impact of the declines in freight rates. A reduced freight rate environment may also have an adverse impact on the value of Navios Holdings owned fleet. In reaction to a decline in freight rates, available ship financing has also been negatively impacted.

Navios Logistics owns and operates vessels, barges and pushboats located mainly in Argentina, the largest independent bulk transfer and storage port facility in Uruguay, and an upriver liquid port facility located in Paraguay. Operating results for Navios Logistics are highly correlated to: (i) South American grain production and export, in particular Argentinean, Brazilian, Paraguayan, Uruguayan and Bolivian production and export; (ii) South American iron ore production and export, mainly from Brazil; and (iii) sales (and logistic services) of petroleum products in the Argentine and Paraguayan markets. Navios Holdings believes that the continuing development of these businesses will foster throughput growth and therefore increase revenues at Navios Logistics. Should this development be delayed, grain harvests be reduced, or the market experience an overall decrease in the demand for grain or iron ore, the operations of Navios Logistics could be adversely affected.

Factors Affecting Navios Holdings Results of Operations

Navios Holdings believes the principal factors that will affect its future results of operations are the economic, regulatory, political and governmental conditions that affect the shipping industry generally and that affect conditions in countries and markets in which its vessels engage in business. Please read Risk Factors included in Navios Holdings 2013 annual report on Form 20-F filed with the Securities and Exchange Commission for a discussion of certain risks inherent in its business.

Navios Holdings actively manages the risk in its operations by: (i) operating the vessels in its fleet in accordance with all applicable international standards of safety and technical ship management; (ii) enhancing vessel utilization and profitability through an appropriate mix of long-term charters complemented by spot charters (time charters for short-term employment) and COAs; (iii) monitoring the financial impact of corporate exposure from both physical and FFAs transactions; (iv) monitoring market and counterparty credit risk limits; (v) adhering to risk management and operation policies and procedures; and (vi) requiring counterparty credit approvals.

Table of Contents

Navios Holdings believes that important measures for analyzing trends in its results of operations include the following:

Market Exposure: Navios Holdings manages the size and composition of its fleet by seeking a mix between chartering and owning vessels in order to adjust to anticipated changes in market rates. Navios Holdings aims to achieve an appropriate balance between owned vessels and long and short-term chartered-in vessels and controls approximately 6.4 million dwt in drybulk tonnage. Navios Holdings' options to extend the charter duration of vessels it has under long-term time charter (durations of over 12 months) and its purchase options on chartered vessels permit Navios Holdings to adjust the cost and the fleet size to correspond to market conditions.

Available days: Available days is the total number of days a vessel is controlled by a company less the aggregate number of days that the vessel is off-hire due to scheduled repairs or repairs under guarantee, vessel upgrades or special surveys. The shipping industry uses available days to measure the number of days in a period during which vessels should be capable of generating revenues.

Operating days: Operating days is the number of available days in a period less the aggregate number of days that the vessels are off-hire due to any reason, including lack of demand or unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels actually generate revenues.

Fleet utilization: Fleet utilization is obtained by dividing the number of operating days during a period by the number of available days during the period. The shipping industry uses fleet utilization to measure a company's efficiency in finding suitable employment for its vessels and minimizing the amount of days that its vessels are off-hire for reasons other than scheduled repairs or repairs under guarantee, vessel upgrades, special surveys or vessel positioning.

TCE rates: TCE rates are defined as voyage and time charter revenues less voyage expenses during a period divided by the number of available days during the period. The 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 generally are expressed in such amounts.

Equivalent vessels: Equivalent vessels are defined as the available days of the fleet divided by the number of the calendar days in the period.

Voyage and Time Charter

Revenues are driven primarily by the number and type of vessels in the fleet, the number of days during which such vessels operate and the amount of daily charter hire rates that the vessels earn under charters, which, in turn, are affected by a number of factors, including:

the duration of the charters;

the level of spot market rates at the time of charters;

decisions relating to vessel acquisitions and disposals;

the amount of time spent positioning vessels;

the amount of time that vessels spend in drydock undergoing repairs and upgrades;

the age, condition and specifications of the vessels; and

the aggregate level of supply and demand in the drybulk shipping industry.

Time charters are available for varying periods, ranging from a single trip (spot charter) to a long-term period which may be many years. Under a time charter, owners assume no risk for finding business and obtaining and paying for fuel or other expenses related to the voyage, such as port entry fees. In general, a long-term time charter assures the vessel owner of a consistent stream of revenue. Operating the vessel in the spot market affords the owner greater spot market opportunity, which may result in high rates when vessels are in high demand or low rates when vessel availability exceeds demand. Vessel charter rates are affected by world economics, international events, weather conditions, strikes, governmental policies, supply and demand, and many other factors that might be beyond the control of management.

Table of Contents

Consistent with industry practice, Navios Holdings uses TCE rates, which consist of revenue from vessels operating on time charters and voyage revenue less voyage expenses from vessels operating on voyage charters in the spot market, as a method of analyzing fluctuations between financial periods and as a method of equating revenue generated from a voyage charter to time charter revenue.

TCE revenue also serves as an industry standard for measuring revenue and comparing results between geographical regions and among competitors.

The cost to maintain and operate a vessel increases with the age of the vessel. Older vessels are less fuel efficient, cost more to insure and require upgrades from time to time to comply with new regulations. The average age of Navios Holdings' owned fleet is 8.0 years. However, as such fleet ages or if Navios Holdings expands its fleet by acquiring previously owned and older vessels, the cost per vessel would be expected to rise and, assuming all else, including rates, remains constant, vessel profitability would be expected to decrease.

Spot Charters, COAs and Forward Freight Agreements (FFAs)

Navios Holdings enhances vessel utilization and profitability through a mix of voyage charters, short-term charter-out contracts, COAs and strategic cargo contracts.

Navios Holdings may enter into drybulk shipping FFAs as economic hedges relating to identifiable ship and/or cargo positions and as economic hedges of transactions the Company expects to carry out in the normal course of its shipping business. By utilizing certain derivative instruments, including drybulk shipping FFAs, the Company manages the financial risk associated with fluctuating market conditions. By entering into these contracts, the Company has assumed the risks relating to the possible inability of counterparties to meet the terms of their contracts.

FFAs cover periods generally ranging from one month to one year, and are based on time charter rates or freight rates on specific quoted routes. FFAs are executed either over-the-counter, between two parties, or through LCH, the London clearing house. FFAs are settled in cash monthly based on publicly quoted indices. No over-the-counter trades have been executed since 2012. LCH calls for both base and margin collaterals, which are funded by Navios Holdings, and which in turn substantially eliminate counterparty risk. Certain portions of these collateral funds may be restricted at any given time as determined by LCH. At the end of each calendar quarter, the fair value of drybulk shipping FFAs traded over-the-counter are determined from an index published in London, United Kingdom and the fair value of those FFAs traded with LCH are determined from the LCH valuations accordingly. Navios Holdings has implemented specific procedures designed to respond to credit risk associated with over-the-counter trades, including the establishment of a list of approved counterparties and a credit committee which meets regularly.

Statement of Operations Breakdown by Segment

Navios Holdings reports financial information and evaluates its operations by charter revenues and not by vessel type, length of ship employment, customers or type of charter. Navios Holdings does not use discrete financial information to evaluate the operating results for each such type of charter. Although revenue can be identified for each type of charters, management does not identify expenses, profitability or other financial information on a charter-by-charter or type of charter basis. The reportable segments reflect the internal organization of the Company and are strategic businesses that offer different products and services. The Company currently has two reportable segments: Drybulk Vessel Operations and Logistics Business. The Drybulk Vessel Operations consists of the transportation and handling of bulk cargoes through the ownership, operation, and trading of vessels, freight, and FFAs. The Logistics Business segment consists of port terminal business, barge business and cabotage business in the Hidrovia region of South America. Navios Holdings measures segment performance based on net income attributable to Navios Holdings

common stockholders.

Table of Contents**Period over Period Comparisons****For the Three Month Period Ended September 30, 2014 Compared to the Three Month Period Ended September 30, 2013**

The following table presents consolidated revenue and expense information for the three month periods ended September 30, 2014 and 2013, respectively. This information was derived from the unaudited condensed consolidated revenue and expense accounts of Navios Holdings for the respective periods.

(in thousands of U.S. dollars)	Three Month Period Ended September 30, 2014 (unaudited)	Three Month Period Ended September 30, 2013 (unaudited)
Revenue	\$ 152,592	\$ 122,284
Time charter, voyage and logistics business expenses	(72,506)	(55,455)
Direct vessel expenses	(35,785)	(31,392)
General and administrative expenses	(7,784)	(9,137)
Depreciation and amortization	(26,798)	(24,410)
Interest expense and finance cost, net	(27,940)	(27,415)
Other expense, net	(2,392)	(806)
Loss before equity in net earnings of affiliated companies	\$ (20,613)	\$ (26,331)
Equity in net earnings of affiliated companies	5,094	11,530
Loss before taxes	\$ (15,519)	\$ (14,801)
Income tax benefit	35	1,407
Net Loss	\$ (15,484)	\$ (13,394)
Less: Net (income)/loss attributable to the noncontrolling interest	(1,111)	346
Net loss attributable to Navios Holdings common stockholders	\$ (16,595)	\$ (13,048)

Set forth below are selected historical and statistical data for the drybulk vessel operations segment for each of the three month periods ended September 30, 2014 and 2013 that the Company believes may be useful in better understanding the Company's financial position and results of operations.

**Three Month Period Ended
September 30,
2014 2013**

	(unaudited)	(unaudited)
FLEET DATA		
Available days	5,449	5,077
Operating days	5,443	5,056
Fleet utilization	99.9%	99.6%
Equivalent vessels	59	55
AVERAGE DAILY RESULTS		
Time Charter Equivalents	\$ 11,550	\$ 12,085

During the three month period ended September 30, 2014, there were 372 more available days, as compared to the same period of 2013, due to (i) an increase in available days for owned vessels by 541 days, mainly due to the delivery of the Navios Taurus, Navios Galileo, Navios Amitie, Navios Northern Star and N Amalthia in the second half of 2013 and the N Bonanza and Navios Gem in the first half of 2014. This increase was partially offset by a decrease in charter-in fleet available days by 169 days.

The average TCE rate for the three month period ended September 30, 2014 was \$11,550 per day, \$535 per day lower than the rate achieved in the same period of 2013. This was due primarily to the decrease in the freight market during the third quarter of 2014 as compared to the same period in 2013.

Revenue: Revenue from drybulk vessel operations for the three months ended September 30, 2014 was \$73.5 million as compared to \$72.5 million for the same period during 2013. The increase in drybulk revenue was mainly attributable to an increase in available days as described above, which was partially offset by a decrease in the TCE per day by 4.4% to \$11,550 per day in the third quarter of 2014.

Revenue from the logistics business was \$79.1 million for the three months ended September 30, 2014 as compared to \$49.8 million for the same period of 2013. This increase was mainly attributable to (i) a \$19.4 million increase in the Paraguayan liquid port s volume and the higher rates charged for products sold; (ii) a \$6.4 million increase in the barge business mainly following the commencement of operations of three new dry cargo convoys under time charter contracts during the second quarter of 2014; (iii) a \$2.8 million increase in the cabotage business due to an increase in the fleet s operating days and higher time-charter rates; and (iv) a \$0.7 million increase in the port terminal business.

Table of Contents

Time Charter, Voyage and Logistics Business Expenses: Time charter, voyage and logistics business expenses increased by \$17.0 million, or 30.7%, to \$72.5 million for the three month period ended September 30, 2014, as compared to \$55.5 million for the three month period ended September 30, 2013.

The time charter and voyage expenses from drybulk vessel operations decreased by \$4.0 million, or 9.3%, to \$39.1 million for the three month period ended September 30, 2014, as compared to \$43.1 million for the three month period ended September 30, 2013. This was primarily due to a decrease in charter-in available days (as discussed above).

Of the total expenses for the three month periods ended September 30, 2014 and 2013, \$33.4 million and \$12.4 million, respectively, were related to Navios Logistics. The increase in time charter, voyage and logistics business expenses related to Navios Logistics was mainly due to an increase in the Paraguayan liquid port's volume of products sold.

Direct Vessel Expenses: Direct vessel expenses increased by \$4.4 million, or 14.0%, to \$35.8 million for the three month period ended September 30, 2014, as compared to \$31.4 million for the three month period ended September 30, 2013. Direct vessel expenses include crew costs, provisions, deck and engine stores, lubricating oils, insurance premiums and costs for maintenance and repairs.

The direct vessel expenses from drybulk vessel operations increased by \$3.8 million, or 41.9%, to \$13.0 million for the three month period ended September 30, 2014, as compared to \$9.2 million for the three month period ended September 30, 2013. This increase was mainly attributable to the increased number of vessels in Navios Holdings' fleet since the third quarter of 2013.

Of the total expenses for the three month periods ended September 30, 2014 and 2013, \$22.8 million and \$22.2 million, respectively, related to Navios Logistics. The increase in direct vessel expenses related to Navios Logistics was mainly due to the commencement of operations of three new dry cargo convoys under time charter contracts during the second quarter of 2014 and an increase in the amortization of deferred drydock and special survey costs.

General and Administrative Expenses: General and administrative expenses of Navios Holdings are comprised of the following:

(in thousands of U.S. dollars)	Three Month Period Ended September 30, 2014 (unaudited)	Three Month Period Ended September 30, 2013 (unaudited)
Drybulk Vessel Operations	\$ 4,006	\$ 5,185
Logistics Business	3,778	3,668
Sub-total	7,784	8,853
Credit risk insurance		284
General and administrative expenses	\$ 7,784	\$ 9,137

The decrease in general and administrative expenses by \$1.3 million, or 14.8%, to \$7.8 million for the three month period ended September 30, 2014, as compared to \$9.1 million for the three month period ended September 30, 2013, was mainly attributable to (i) a \$0.7 million decrease in payroll and other related costs; (ii) a \$0.3 million decrease in credit risk insurance fees following the termination of the credit default insurance policy on March 25, 2014; and (iii) a \$0.4 million decrease in other administrative expenses mainly due to a decrease in office expenses and utilities. The overall decrease was partially offset by a \$0.1 million increase in general and administrative expenses attributable to the logistics business.

Depreciation and Amortization: For the three month period ended September 30, 2014, depreciation and amortization increased by \$2.4 million to \$26.8 million as compared to \$24.4 million for the three month period ended September 30, 2013. The increase was primarily due to (i) an increase in depreciation and amortization of drybulk vessels by \$1.5 million following the new vessel deliveries since the third quarter of 2013; and (ii) an increase in depreciation and amortization of the logistics business by \$0.9 million, mainly due to (a) the construction of the new conveyor belt which was completed in the fourth quarter of 2013; and (b) the delivery of three new convoys in the first half of 2014.

Interest Expense and Finance Cost, Net: Interest expense and finance cost, net for the three month period ended September 30, 2014 increased by \$0.4 million, or 1.9%, to \$27.9 million, as compared to \$27.5 million in the same period of 2013. The increase was mainly due to the additional interest expense generated by the 2022 Logistics Senior Notes (as defined herein) issued in April 2014; and (ii) the additional interest expense generated by the 2022 Notes (as defined herein) issued in November 2013.

Table of Contents

Other Expense, Net: Other expense, net increased by \$1.6 million, or 196.9%, to \$2.4 million for the three month period ended September 30, 2014, as compared to \$0.8 million for the same period in 2013. This increase was due to (i) a \$0.6 million increase in other expense, net of drybulk vessel operations; and (ii) a \$1.0 million increase in other expenses, net of the logistics business.

The increase in other expense, net of drybulk vessels operations was mainly due to \$1.9 million of less income for 2014 relating to early repayment from Korea Line Corporation (KLC) in 2013 as partial compensation for the claims filed with the Korean court for all unpaid amounts by KLC, which was partially mitigated by (i) a \$0.6 million increase in gains from foreign exchange differences in 2014; and (ii) a \$0.7 million decrease in miscellaneous other expenses in 2014.

The increase in other expense, net of the logistics business was mainly due to an increase in taxes other-than-income taxes and provisions for losses on accounts receivable.

Equity in Net Earnings of Affiliated Companies: Equity in net earnings of affiliated companies decreased by \$6.4 million, or 55.8%, to \$5.1 million for the three month period ended September 30, 2014, as compared to \$11.5 million for the same period in 2013. This decrease was mainly due to (i) a \$4.9 million decrease in investment income; and (ii) a \$1.5 million decrease in amortization of deferred gain from the sale of vessels to Navios Partners (as more fully described below). The \$4.9 million decrease in investment income was mainly due to a \$8.5 million decrease in investment income from Navios Partners, which was partially mitigated by (i) a \$3.4 million increase in investment income from Navios Acquisition; and (ii) a \$0.2 million increase in investment income from Navios Europe.

Navios Holdings' ownership in both Navios Partners and Navios Acquisition decreased following Navios Partners' and Navios Acquisitions' equity offerings in February of 2014. The Company determined, under the equity method, that the issuance of shares by those entities qualified as a sale of shares by the investee.

The Company recognizes the gain from the sale of vessels to Navios Partners immediately in earnings only to the extent of the interest in Navios Partners owned by third parties and defers recognition of the gain to the extent of its own ownership interest in Navios Partners (see also Related Party Transactions).

Income Tax Benefit: Income tax benefit decreased by \$1.4 million as compared to \$1.4 million for the same period in 2013. The total change in income taxes was mainly attributable to Navios Logistics' decrease in income tax benefit mainly attributable to the better performance of the segment.

Net (Income)/Loss Attributable to the Noncontrolling Interest: Net income attributable to the noncontrolling interest increased by \$1.5 million to a \$1.1 million income for the three month period ended September 30, 2014, as compared to \$0.4 million loss for the same period in 2013. This increase was mainly attributable to the logistics business net income for the three month period ended September 30, 2014, as compared to the net loss for the same period in 2013.

Table of Contents**For the Nine Month Period Ended September 30, 2014 Compared to the Nine Month Period Ended September 30, 2013**

The following table presents consolidated revenue and expense information for the nine month periods ended September 30, 2014 and 2013. This information was derived from the unaudited consolidated revenue and expense accounts of Navios Holdings for the respective periods.

(in thousands of U.S. dollars)	Nine Month Period Ended September 30, 2014 (unaudited)	Nine Month Period Ended September 30, 2013 (unaudited)
Revenue	\$ 420,191	\$ 381,693
Time charter, voyage and logistics business expenses	(187,198)	(191,095)
Direct vessel expenses	(97,953)	(85,531)
General and administrative expenses	(28,382)	(27,972)
Depreciation and amortization	(78,300)	(72,966)
Interest expense and finance cost, net	(84,507)	(80,145)
Gain on sale of assets		18
Loss on bond extinguishment	(27,281)	
Other (expense)/income, net	(7,807)	5,668
Loss before equity in net earnings of affiliated companies	(91,237)	(70,330)
Equity in net earnings of affiliated companies	34,591	29,780
Loss before taxes	(56,646)	(40,550)
Income tax (expense)/benefit	(1,101)	4,979
Net loss	(57,747)	(35,571)
Less: Net loss/(income) attributable to the noncontrolling interest	6,525	(3,513)
Net loss attributable to Navios Holdings common stockholders	\$ (51,222)	\$ (39,084)

Set forth below are selected historical and statistical data for the drybulk vessel operations segment for each of the nine month periods ended September 30, 2014 and 2013 that the Company believes may be useful in better understanding the Company's financial position and results of operations.

**Nine Month Period Ended
September 30,
2014 2013**

	(unaudited)	(unaudited)
FLEET DATA		
Available days	16,006	13,975
Operating days	15,972	13,702
Fleet utilization	99.8%	98.1%
Equivalent vessels	59	51
AVERAGE DAILY RESULTS		
Time Charter Equivalents	\$ 12,084	\$ 11,543

During the nine month period ended September 30, 2014, there were 2,031 more available days as compared to the same period of 2013, due to (i) an increase in available days for owned vessels by 1,626 days mainly due to the delivery of the Navios Taurus, Navios Galileo, Navios Amitie, Navios Northern Star and N Amalthia in the second half of 2013 and the N Bonanza and Navios Gem in the first half of 2014; and (ii) an increase in charter-in fleet available days by 405 days.

The average TCE rate for the nine month period ended September 30, 2014 was \$12,084 per day, \$541 per day higher than the rate achieved in the same period of 2013. This was due primarily to the increase in the freight market during the nine month period ended September 30, 2014 as compared to the same period in 2013.

Revenue: Revenue from drybulk vessel operations for the nine months ended September 30, 2014 was \$225.5 million as compared to \$195.2 million for the same period during 2013. The increase in drybulk revenue was mainly attributable to (i) an increase in the TCE per day by 4.7% to \$12,084 per day in the nine month period ended September 30, 2014; and (ii) an increase in available days as described above.

Revenue from the logistics business was \$194.7 million for the nine months ended September 30, 2014 as compared to \$186.5 million for the same period of 2013. This increase was mainly attributable to (i) a \$8.3 million increase in the barge business mainly following the commencement of operations of three new dry cargo convoys under time charter contracts during the second quarter of 2014; and (ii) a \$5.0 million increase in the cabotage business mainly attributable to an increase in the cabotage fleet's operating days and higher time-charter rates. Total increase was partially mitigated by a \$5.1 million decrease in the port terminal business mainly attributable to the decrease in the Paraguayan liquid port's volume of products sold.

Table of Contents

Time Charter, Voyage and Logistics Business Expenses: Time charter, voyage and logistics business expenses decreased by \$3.9 million, or 2.0%, to \$187.2 million for the nine month period ended September 30, 2014, as compared to \$191.1 million for the nine month period ended September 30, 2013.

The time charter and voyage expenses from drybulk operations decreased by \$2.7 million, or 2.2%, to \$116.5 million for the nine month period ended September 30, 2014, as compared to \$119.2 million for the nine month period ended September 30, 2013. This was primarily due to a decrease in voyage charter expenses mainly due to lower bunker expenses, which was partially mitigated by higher loss voyages in the current period.

Of the total expenses for the nine month periods ended September 30, 2014 and 2013, \$70.7 million and \$71.9 million, respectively, were related to Navios Logistics. The decrease in time charter, voyage and logistics business expenses was mainly due to a decrease in the volume of products sold in the liquid port in Paraguay, which was partially mitigated by (i) an increase in the barge business mainly attributable to higher fuel expenses due to an increase in the number of voyages under COA contracts and an increase in time charter expense due to the short term charter-in of 36 barges delivered during the second and third quarters of 2014; and (ii) an increase in volumes transported in dry port facility in Uruguay.

Direct Vessel Expenses: Direct vessel expenses increased by \$12.4 million, or 14.5%, to \$97.9 million for the nine month period ended September 30, 2014, as compared to \$85.5 million for the same period in 2013. Direct vessel expenses include crew costs, provisions, deck and engine stores, lubricating oils, insurance premiums and costs for maintenance and repairs.

The direct vessel expenses from drybulk vessel operations increased by \$11.2 million, or 39.9%, to \$39.5 million for the nine month period ended September 30, 2014, as compared to \$28.3 million for the nine month period ended September 30, 2013. This increase was mainly attributable to the increased number of vessels in Navios Holdings fleet since the third quarter of 2013.

Of the total expenses for the nine month periods ended September 30, 2014 and 2013, \$58.4 million and \$57.2 million, respectively, were related to Navios Logistics. The increase in direct vessel expenses related to Navios Logistics was mainly attributable to (i) an increase in the amortization of deferred drydock and special survey costs; and (ii) the commencement of operations of three new dry cargo convoys under time charter contracts during the second quarter of 2014.

General and Administrative Expenses: General and administrative expenses of Navios Holdings are comprised of the following:

(in thousands of U.S. dollars)	Nine Month Period Ended September 30, 2014 (unaudited)	Nine Month Period Ended September 30, 2013 (unaudited)
Drybulk Vessel Operations	\$ 16,956	\$ 16,835
Logistics Business	10,537	10,279
Sub-total	27,493	27,114
Credit risk insurance	889	858

General and administrative expenses	\$	28,382	\$	27,972
--	-----------	---------------	-----------	---------------

The increase in general and administrative expenses by \$0.4 million, or 1.5%, to \$28.4 million for the nine month period ended September 30, 2014, as compared to \$28.0 million for the nine month period ended September 30, 2013, was mainly attributable to (i) a \$0.3 million increase in payroll and other related costs; (ii) a \$0.2 million increase in other administrative expenses; and (iii) a \$0.3 million increase attributable to the logistics business. The overall increase was partially offset by a \$0.4 million decrease in professional, legal and audit fees.

Depreciation and Amortization: For the nine month period ended September 30, 2014, depreciation and amortization increased by \$5.3 million, or 7.3%, to \$78.3 million, as compared to \$73.0 million for the same period in 2013. The increase was primarily due to (i) an increase in depreciation and amortization of drybulk vessels by \$4.2 million following the new vessel deliveries during the second half of 2013 and the first half of 2014; and (ii) an increase in depreciation and amortization of the logistics business by \$1.1 million, mainly due to delivery of three new convoys in the first half of 2014 and the construction of the new conveyor belt completed in the fourth quarter of 2013.

Interest Expense and Finance Cost, Net: Interest expense and finance cost, net for the nine month period ended September 30, 2014 increased by \$4.4 million, or 5.4%, to \$84.5 million, as compared to \$80.1 million in the same period of 2013. This increase was mainly due to (i) a \$2.4 million increase in interest expense and finance cost, net of the logistics business, mainly attributable to (a) the additional interest expense generated by the Additional 2019 Logistics Senior Notes issued in March

Table of Contents

2013; (b) the Tender Offer and the redemption of the 2019 Logistics Senior Notes in April 2014 (as both defined herein); and (c) the additional interest expense generated by the 2022 Logistics Senior Notes (as defined herein) issued in April 2014; and (ii) a \$2.0 million increase in interest expense and finance cost, net of drybulk vessel operations mainly attributable to (a) the additional interest expense generated by the 2022 Notes (as defined herein) issued in November 2013; and (b) a decrease in interest income from time deposits and loans to affiliate companies.

Loss on Bond Extinguishment: On April 22, 2014, Navios Logistics completed the sale of \$375.0 million in aggregate principal amount of 7.25% senior notes due on May 1, 2022 (the 2022 Logistics Senior Notes). From the net proceeds of the offering, Navios Logistics repaid in full the \$290.0 million of the 2019 Logistics Senior Notes (as defined herein). The effect of this early repayment resulted in the recognition of a \$27.3 million loss in the statement of comprehensive loss, which comprises a \$7.9 million loss relating to the accelerated amortization of unamortized deferred finance costs, a \$3.1 million gain relating to the accelerated amortization of unamortized 2019 Logistics Senior Notes premium and a \$22.5 million loss relating to cash payments for tender premium fees and expenses.

Other (Expense)/Income, Net: Other (expense)/income, net increased by \$13.4 million, or 237.7%, to \$7.8 million expense for the nine month period ended September 30, 2014, as compared to \$5.6 million income for the same period in 2013. This increase was due to a \$14.2 million increase in other expense, net of drybulk vessel operations partially mitigated by a \$0.8 million decrease in other expenses, net of the logistics business.

The increase in other expense, net of drybulk vessels operations is mainly due to (i) a \$11.5 million expense relating to the reclassification to earnings of available-for-sale securities for an other-than-temporary impairment; and (ii) a \$15.0 million of less income for 2014 relating to the fair value valuation of KLC shares, including an early repayment from KLC of \$1.9 million, which were received during the same period in 2013 as partial compensation for the claims filed with the Korean court for all unpaid amounts by KLC. This increase in other expenses, net was partially mitigated by (i) \$7.2 million of income relating to the sale of a defaulted counterparty claim to an unrelated third party; (ii) \$3.6 million of income from the termination of the credit default insurance policy on March 25, 2014; and (iii) a \$1.5 million decrease in other expenses during the nine month period ended September 30, 2014 mainly attributable to foreign exchange differences, loss on derivatives and miscellaneous other expenses.

The decrease in other expenses, net of the logistics business was mainly due to settlement of claims and the decreased expenses from foreign exchange differences as a result of a favorable fluctuation of the U.S. dollar exchange rate against the local currencies in the countries where Navios Logistics conducts its port terminal business operations.

Equity in Net Earnings of Affiliated Companies: Equity in net earnings of affiliated companies increased by \$4.8 million, or 16.2%, to \$34.6 million for the nine month period ended September 30, 2014, as compared to \$29.8 million for the same period in 2013. This increase was mainly due to a \$6.6 million increase in investment income which was partially offset by a \$1.8 million decrease in amortization of deferred gain from the sale of vessels to Navios Partners (as more fully described below). The \$6.6 million increase in investment income consisted of (i) \$7.5 million relating to Navios Acquisition (\$11.9 million of gains as a result of the issuance of shares following Navios Acquisition's offering in February 2014, which qualified as a sale of shares, and a \$4.4 million increase in equity losses); and (ii) a \$0.8 million increase in investment income from Navios Europe and Acropolis (as defined herein). Total increase was partially mitigated by a \$1.7 million decrease in investment income from Navios Partners (\$2.8 million decrease in gains, as a result of the issuance of shares following Navios Partners' offering in February 2014, which qualified as a sale of shares, and a \$1.1 million increase in equity income).

Navios Holdings' ownership in both Navios Partners and Navios Acquisition decreased following Navios Partners' and Navios Acquisition's equity offerings in February of 2014. The Company determined, under the equity method, that the issuance of shares by those entities qualified as a sale of shares by the investee.

The Company recognizes the gain from the sale of vessels to Navios Partners immediately in earnings only to the extent of the interest in Navios Partners owned by third parties and defers recognition of the gain to the extent of its own ownership interest in Navios Partners (see also Related Party Transactions).

Income Tax (Expense)/Benefit: Income tax expense for the nine month period ended September 30, 2014 increased by \$6.1 million, or 122.1%, to \$1.1 million for the nine month period ended September 30, 2014, as compared to a \$5.0 million benefit for the same period in 2013. The total change in income taxes was attributable to Navios Logistics mainly due to the merging of certain subsidiaries in Paraguay in the first quarter of 2013 and the better operational performance of Navios Logistics during the nine month period ended September 30, 2014.

Net Loss/(Income) Attributable to the Noncontrolling Interest: Net loss attributable to noncontrolling interest increased by \$10.0 million to \$6.5 million loss for the nine month period ended September 30, 2014, as compared to \$3.5 million income for the same period in 2013. This increase was mainly attributable to the logistics business net loss for the nine month period ended September 30, 2014 compared to net income for the same period in 2013.

Table of Contents***Liquidity and Capital Resources***

Navios Holdings has historically financed its capital requirements with cash flows from operations, equity contributions from stockholders, issuance of debt and bank credit facilities. Main uses of funds have been capital expenditures for the acquisition of new vessels, new construction and upgrades at the port terminals, expenditures incurred in connection with ensuring that the owned vessels comply with international and regulatory standards, repayments of credit facilities and payments of dividends. Navios Holdings anticipates that cash on hand, internally generated cash flows and borrowings under the existing credit facilities will be sufficient to fund the operations of the drybulk vessel operations and the logistics businesses, including working capital requirements. See Working Capital Position and Long-Term Debt Obligations and Credit Arrangements for further discussion of Navios Holdings working capital position.

The following table presents cash flow information derived from the unaudited consolidated statements of cash flows of Navios Holdings for the nine month periods ended September 30, 2014 and 2013.

	Nine Month Period Ended September 30, 2014 (unaudited)	Nine Month Period Ended September 30, 2013 (unaudited)
(in thousands of U.S. dollars)		
Net cash provided by operating activities	\$ 33,775	\$ 79,055
Net cash used in investing activities	(165,908)	(217,103)
Net cash provided by financing activities	234,394	94,343
Increase/(decrease) in cash and cash equivalents	102,261	(43,705)
Cash and cash equivalents, beginning of period	187,831	257,868
Cash and cash equivalents, end of period	\$ 290,092	\$ 214,163

Cash provided by operating activities for the nine month period ended September 30, 2014 as compared to the nine month period ended September 30, 2013:

Net cash provided by operating activities decreased by \$45.3 million to \$33.8 million for the nine month period ended September 30, 2014, as compared to \$79.1 million for the nine month period ended September 30, 2013. In determining net cash provided by operating activities, net loss is adjusted for the effects of certain non-cash items as discussed below.

The aggregate adjustments to reconcile net loss to net cash provided by operating activities was a \$104.0 million gain for the nine month period ended September 30, 2014, which consisted mainly of the following adjustments: \$78.3 million of depreciation and amortization, \$9.0 million of amortization of deferred drydock and special survey costs, \$2.7 million of amortization of deferred finance fees, \$3.0 million relating to share-based compensation, \$0.9 million provision for losses on accounts receivable, \$11.5 million reclassification to earnings of available-for-sale securities for an other-than-temporary impairment, \$4.8 million of expenses related to Navios Logistics bond extinguishment, and \$1.1 million movement in income taxes. These adjustments were partially offset by a \$7.3 million movement in earnings in affiliates, net of dividends received.

The net cash outflow resulting from the change in operating assets and liabilities of \$12.5 million for the nine month period ended September 30, 2014 resulted from a \$8.6 million increase in prepaid expenses and other assets, a \$22.2 million increase in amounts due from affiliates, a \$7.7 million payment for drydock and special survey costs, a \$1.5 million decrease in deferred income, and a \$5.4 million decrease in other long term liabilities. These were partially offset by a \$4.3 million decrease in accounts receivable, a \$5.6 million increase in accrued expenses and a \$23.0 million increase in accounts payable.

The aggregate adjustments to reconcile net loss to net cash provided by operating activities was a \$82.2 million gain for the nine month period ended September 30, 2013, which consisted mainly of the following adjustments: \$73.0 million of depreciation and amortization, \$6.7 million of amortization of deferred drydock and special survey costs, \$4.1 million of amortization of deferred finance fees, \$2.1 million relating to share-based compensation, \$0.1 million of unrealized losses on FFAs with LCH, a \$0.9 million movement in earnings in affiliates net of dividends received, and \$0.3 million of provision for losses on accounts receivable. These adjustments were partially offset by a \$5.0 million decrease in income taxes.

The positive change in operating assets and liabilities of \$32.4 million for the nine month period ended September 30, 2013 resulted from a \$65.2 million decrease in amounts due from affiliates, a \$10.0 million decrease in accounts receivable, a \$0.2 million decrease in restricted cash, a \$1.2 million decrease in derivative accounts and a \$10.1 million increase in accrued expenses. These were partially offset by a \$12.9 million increase in prepaid expenses and other current assets, a \$13.4 million increase in other long-term assets, \$10.3 million in payments for drydock and special surveys costs, a \$11.3 million decrease in accounts payable, a \$6.3 million decrease in deferred income, and a \$0.1 million decrease in other long-term liabilities.

Table of Contents**Cash used in investing activities for the nine month period ended September 30, 2014 as compared to the nine month period ended September 30, 2013:**

Cash used in investing activities was \$165.9 million for the nine month period ended September 30, 2014, as compared to \$217.1 million for the same period in 2013.

Cash used in investing activities for the nine months ended September 30, 2014 was the result of (i) \$2.2 million used to purchase general partner units in Navios G.P. LLC, the general partner of Navios Partners (General Partner) following a Navios Partners common equity offering; (ii) \$17.6 million in payments relating to deposits for the acquisition of two bulk carrier vessels scheduled for delivery in the third and fourth quarter of 2015; (iii) \$3.1 million movement relating to Navios Acquisition s long term receivable; (iv) a \$3.2 million loan to Navios Europe; (v) \$72.0 million in payments for the acquisition of the N Bonanza and the Navios Gem in January and in June 2014, respectively; (vi) \$0.2 million of payments in other fixed assets and (vii) \$78.5 million of payments relating to amounts paid by Navios Logistics as follows: (a) \$4.4 million for the construction of three new pushboats; (b) \$3.6 million for the acquisition and transport of three pushboats delivered in the first quarter of 2014; (c) \$46.3 million for the construction and transport of new dry barges; (d) \$16.0 million for the expansion of the dry port in Uruguay; (e) \$4.3 million in payments for the acquisition of a second-hand bunker vessel in the third quarter of 2014; (f) \$0.9 million in payments for the construction of a new conveyor belt in Nueva Palmira; and (g) \$3.0 million for the purchase of other fixed assets. The above were partially offset by \$10.9 million in dividends received from Navios Acquisition.

Cash used in investing activities for the nine months ended September 30, 2013 was the result of: (i) \$163.2 million in payments relating to (a) \$3.2 million used to purchase general partner units following a Navios Partners common equity offering; and (b) \$160.0 million relating to the acquisition of Navios Acquisition shares as part of its February, May and September 2013 equity offerings; (ii) \$2.1 million relating to the acquisition of port terminal operating rights; (iii) \$67.8 million in payments relating to the acquisition of four Panamax vessels, comprised of the Navios Galileo, the Navios Taurus, the Navios Amitie and the Navios Northern Star, during the third quarter of 2013; and (iv) \$44.8 million of payments in other fixed assets mainly relating to amounts paid by Navios Logistics for (a) the construction of a new conveyor belt in Nueva Palmira; (b) the construction of two new tank barges; and (c) the purchase of other fixed assets. The above was partially offset by (i) a \$35.0 million loan repayment from Navios Acquisition; (ii) a \$19.3 million movement relating to Navios Acquisition s long-term receivable; and (iii) \$6.5 million in dividends received from Navios Acquisition.

Cash provided by financing activities for the nine month period ended September 30, 2014 as compared to the nine month period ended September 30, 2013:

Cash provided by financing activities was \$234.4 million for the nine month period ended September 30, 2014, compared to \$94.3 million for the same period of 2013.

Cash provided by financing activities for the nine months ended September 30, 2014 was the result of (i) \$163.9 million in net proceeds following the sale of the Series G on January 28, 2014 and Series H on July 8, 2014; (ii) \$3.5 million contribution of noncontrolling shareholders for the acquisition of the N Bonanza; (iii) \$0.6 million in proceeds from the exercise of options to purchase common stock; (iv) \$40.4 million of loan proceeds (net of \$0.9 million finance fees) for financing the acquisition of the N Bonanza and the Navios Gem; (v) \$365.7 million of proceeds from the issuance of the 2022 Logistics Senior Notes in April 2014 (net of \$9.3 million finance fees); and (vi) \$0.2 million decrease in restricted cash relating to loan repayments. This was partially offset by: (i) \$15.8 million of installments paid in connection with the Company s outstanding indebtedness; (ii) \$290.0 million repayment of the 2019 Logistics Senior Notes (as defined herein); (iii) \$22.2 million of dividends paid to the Company s stockholders; (iv) \$10.9

million relating to payments for the acquisition of the noncontrolling interest in Navios Asia; and (v) \$1.0 million relating to payments for capital lease obligations.

Cash provided by financing activities for the nine month period ended September 30, 2013 was the result of (i) \$90.3 million of proceeds (net of \$3.1 million finance fees) from the Additional 2019 Logistics Senior Notes issued in March 2013; (ii) a \$18.8 million movement in restricted cash relating to loan repayments; (iii) \$39.4 million loan proceeds for financing the acquisition of four Panamax vessels, comprised of the Navios Galileo, the Navios Taurus, the Navios Amitie and the Navios Northern Star (net of relating finance fees of \$0.6 million) during the third quarter of 2013; and (iv) \$0.4 million of proceeds from the exercise of options to purchase common stock. This was partially offset by: (i) \$33.1 million of installments paid in connection with Company's outstanding indebtedness; (ii) \$0.9 million relating to payments for capital lease obligations; (iii) \$0.8 million for the acquisition of noncontrolling interest relating to Navios Logistics; and (iv) \$19.8 million of dividends paid to the Company's stockholders.

Adjusted EBITDA: EBITDA represents net income/(loss) plus interest and finance costs plus depreciation and amortization and income taxes. Adjusted EBITDA in this document represents EBITDA before stock-based compensation. Navios Holdings believes that Adjusted EBITDA is a basis upon which liquidity can be assessed and represents useful information to investors regarding Navios Holdings' ability to service and/or incur indebtedness, pay capital expenditures, meet

Table of Contents

working capital requirements and pay dividends. Navios Holdings also believes that Adjusted EBITDA is used (i) by prospective and current lessors as well as potential lenders to evaluate potential transactions; and (ii) to evaluate and price potential acquisition candidates.

Adjusted EBITDA has limitations as an analytical tool, and therefore, should not be considered in isolation or as a substitute for the analysis of Navios Holdings' results as reported under U.S. GAAP. Some of these limitations are: (i) Adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs; and (ii) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future. Adjusted EBITDA does not reflect any cash requirements for such capital expenditures. Because of these limitations, among others, Adjusted EBITDA should not be considered as a principal indicator of Navios Holdings' performance. Furthermore, our calculation of Adjusted EBITDA may not be comparable to that reported by other companies due to differences in methods of calculation.

Adjusted EBITDA Reconciliation to Cash from Operations

(in thousands of U.S. dollars)	Three Months Ended	
	September 30, 2014 (unaudited)	September 30, 2013 (unaudited)
Net cash (used in)/provided by operating activities	\$ (6,717)	\$ 41,182
Net decrease in operating assets	(2,841)	(27,026)
Net decrease/(increase) in operating liabilities	26,189	(3,154)
Net interest cost	27,940	27,415
Deferred finance charges	(943)	(1,192)
Provision for losses on accounts receivable	(377)	(255)
Equity in affiliates, net of dividends received	(2,693)	1,236
Payments for drydock and special survey	2,967	2,018
Noncontrolling interest	(1,111)	346
Adjusted EBITDA	\$ 42,414	\$ 40,570

(in thousands of U.S. dollars)	Nine Months Ended	
	September 30, 2014 (unaudited)	September 30, 2013 (unaudited)
Net cash provided by operating activities	\$ 33,775	\$ 79,055
Net increase/(decrease) in operating assets	26,506	(49,109)
Net (increase)/decrease in operating liabilities	(21,739)	6,424
Net interest cost	84,507	80,145
Deferred finance charges	(2,679)	(4,124)
Expenses related to Navios Logistics bond extinguishment	(4,786)	
Provision for losses on accounts receivable	(866)	(300)
Unrealized losses on FFA derivatives		(69)
Equity in affiliates, net of dividends received	7,291	(970)

Edgar Filing: Navios Maritime Holdings Inc. - Form 6-K

Payments for drydock and special survey	7,694	10,287
Gain on sale of assets		18
Noncontrolling interest	6,525	(3,513)
Reclassification to earnings of available-for-sale securities	(11,553)	
Adjusted EBITDA	\$ 124,675	\$ 117,844

Adjusted EBITDA for the three months ended September 30, 2014 was \$42.4 million as compared to \$40.6 million for the same period of 2013. The \$1.8 million increase in Adjusted EBITDA was primarily due to (i) a \$30.3 million increase in revenue; and (ii) a \$1.6 million decrease in general and administrative expenses (excluding share-based compensation expenses). This overall increase of \$31.9 million was mitigated by (i) a \$17.0 million increase in time charter, voyage and logistics business expenses; (ii) a \$6.4 million decrease in equity in net earnings from affiliated companies; (iii) a \$3.6 million increase in direct vessel expenses (excluding the amortization of deferred drydock and special survey costs); (iv) a \$1.6 million increase in other expenses, net; and (v) a \$1.5 million increase in income attributable to the noncontrolling interest.

Table of Contents

Adjusted EBITDA for the nine months ended September 30, 2014 was \$124.7 million as compared to \$117.8 million for the same period of 2013. The \$6.9 million increase in Adjusted EBITDA was primarily due to (i) a \$38.5 million increase in revenue; (ii) a \$3.9 million decrease in time charter, voyage and logistics business expenses; (iii) a \$4.8 million increase in equity in net earnings from affiliated companies; (iv) a \$0.5 million decrease in general and administrative expenses (excluding share-based compensation expenses); and (v) a \$10.0 million increase in loss attributable to the noncontrolling interest. This overall increase of \$57.7 million was mitigated by (i) a \$10.1 million increase in direct vessel expenses (excluding the amortization of deferred drydock and special survey costs); (ii) a \$13.4 million increase in other expenses, net; and (iii) a \$27.3 million loss on bond extinguishment.

Long-Term Debt Obligations and Credit Arrangements*Secured Credit Facilities*

On December 20, 2013, Navios Asia entered into a facility with Crédit Agricole Corporate and Investment Bank for an amount of up to \$22.5 million in two equal tranches in order to finance the acquisition of the N Amalthia, which was delivered in October 2013, and the N Bonanza, which was delivered in January 2014. The two tranches bear interest at a rate of LIBOR plus 300 basis points. During the first quarter of 2014, Navios Asia had drawn the second tranche of \$11.3 million in order to finance the acquisition of the N Bonanza, which is repayable in ten equal semi-annual installments of \$0.6 million, with a final balloon payment of \$5.6 million on the last repayment date.

On June 27, 2014, Navios Holdings refinanced its existing facility with DVB Bank SE, Crédit Agricole Corporate and Investment Bank and Norddeutsche Landesbank Girozentrale, entering into a new tranche for an amount of \$30.0 million in order to finance the acquisition of the Navios Gem, which was delivered in June 2014. The loan bears interest at a rate of LIBOR plus 275 basis points. As of September 30, 2014, the Company had drawn the entire available amount under the new tranche facility, which is repayable in 24 quarterly installments of \$0.4 million, with a final balloon payment of \$18.8 million on the last repayment date.

As of September 30, 2014, the Company had secured credit facilities with various banks with a total outstanding balance of \$243.1 million. The purpose of the facilities was to finance the construction or acquisition of vessels or refinance existing indebtedness. All of the facilities are denominated in U.S. Dollars and bear interest based on LIBOR plus spread ranging from 2.25% to 3.60% per annum. The facilities are repayable in either semi-annual or quarterly installments, followed by balloon payments with maturities, ranging from September 2018 to May 2022. See also the maturity table included below.

The facilities are secured by first priority mortgages on certain of Navios Holdings' vessels and other collateral.

The credit facilities contain a number of restrictive covenants that limit Navios Holdings and/or certain of its subsidiaries from, among other things: incurring or guaranteeing indebtedness; entering into affiliate transactions; charging, pledging or encumbering the vessels securing such facilities; changing the flag, class, management or ownership of certain Navios Holdings' vessels; changing the commercial and technical management of certain Navios Holdings' vessels; selling or changing the ownership of certain Navios Holdings' vessels; and subordinating the obligations under the credit facilities to any general and administrative costs relating to the vessels. The credit facilities also require the vessels to comply with the ISM Code and ISPS Code and to maintain valid safety management certificates and documents of compliance at all times. Additionally, the credit facilities require compliance with the covenants contained in the indentures governing the 2019 Notes and the 2022 Notes (each as defined herein). Among other events, it will be an event of default under the credit facilities if the financial covenants are not complied with or if Angeliki Frangou and her affiliates, together, own less than 20% of the outstanding share capital of Navios Holdings.

As of September 30, 2014, the Company was in compliance with all of the covenants under each of its credit facilities.

Senior Notes

On January 28, 2011, the Company and its wholly owned subsidiary, Navios Maritime Finance II (US) Inc. (together with the Company, the 2019 Co-Issuers) completed the sale of \$350.0 million of 8.125% Senior Notes due 2019 (the 2019 Notes). The net proceeds from the sale of the 2019 Notes were used to redeem any and all of Navios Holdings then-outstanding 9.5% Senior Notes due 2014 and pay related transaction fees and expenses and for general corporate purposes.

The 2019 Notes are fully and unconditionally guaranteed, jointly and severally and on an unsecured senior basis, by all of the Company s subsidiaries, other than Navios Maritime Finance II (US) Inc., Navios Maritime Finance (US) Inc., Navios Logistics and its subsidiaries and Navios GP LLC. The subsidiary guarantees are full and unconditional , as those terms are used in Regulation S-X Rule 3-10, except that the indenture provides for an individual subsidiary s guarantee to be automatically

Table of Contents

released in certain customary circumstances, such as when a subsidiary is sold or all of the assets of the subsidiary are sold, the capital stock is sold, when the subsidiary is designated as an unrestricted subsidiary for purposes of the indenture, upon liquidation or dissolution of the subsidiary or upon legal or covenant defeasance or satisfaction and discharge of the 2019 Notes. The 2019 Co-Issuers have the option to redeem the 2019 Notes in whole or in part, at any time (i) before February 15, 2015, at a redemption price equal to 100% of the principal amount, plus a make whole premium, plus accrued and unpaid interest, if any, and (ii) on or after February 15, 2015, at a fixed price of 104.063% of the principal amount, which price declines ratably until it reaches par in 2017, plus accrued and unpaid interest, if any. In addition, upon the occurrence of certain change of control events, the holders of the 2019 Notes will have the right to require the 2019 Co-Issuers to repurchase some or all of the 2019 Notes at 101% of their face amount, plus accrued and unpaid interest to the repurchase date.

The 2019 Notes contain covenants which, among other things, limit the incurrence of additional indebtedness, issuance of certain preferred stock, the payment of dividends, redemption or repurchase of capital stock or making restricted payments and investments, creation of certain liens, transfer or sale of assets, entering in transactions with affiliates, merging or consolidating or selling all or substantially all of the 2019 Co-Issuers' properties and assets and creation or designation of restricted subsidiaries. The 2019 Co-Issuers were in compliance with the covenants as of September 30, 2014.

Ship Mortgage Notes

In November 2009, the Company and its wholly-owned subsidiary, Navios Maritime Finance (US) Inc. (together, the Mortgage Notes Co-Issuers) issued \$400.0 million of first priority ship mortgage notes due on November 1, 2017 at a fixed rate of 8.875% (the 2017 Notes). In July 2012, the Mortgage Notes Co-Issuers issued an additional \$88.0 million of the 2017 Notes at par value. On November 29, 2013, Navios Holdings completed the sale of \$650.0 million of its 7.375% First Priority Ship Mortgage Notes due 2022 (the 2022 Notes). The net proceeds of the offering of the 2022 Notes have been used: (i) to repay in full the 2017 Notes; and (ii) to repay in full indebtedness of \$123.3 million relating to six vessels added as collateral under the 2022 Notes. The remainder has been used for general corporate purposes.

The 2022 Notes are senior obligations of Navios Holdings and Navios Maritime Finance II (US) Inc. (the 2022 Co-Issuers) and are secured by first priority ship mortgages on 23 drybulk vessels owned by certain subsidiary guarantors and certain other associated property and contract rights. The 2022 Notes are unregistered and fully and unconditionally guaranteed, jointly and severally by all of the Company's direct and indirect subsidiaries that guarantee the 2019 Notes and Navios Maritime Finance II (US) Inc. The guarantees of the Company's subsidiaries that own mortgage vessels are senior secured guarantees and the guarantees of the Company's subsidiaries that do not own mortgage vessels are senior unsecured guarantees. In addition, the 2022 Co-Issuers have the option to redeem the 2022 Notes in whole or in part, at any time (i) before January 15, 2017, at a redemption price equal to 100% of the principal amount plus a make whole price which is based on a formula calculated using a discount rate of treasury bonds plus 50 basis points, and (ii) on or after January 15, 2017, at a fixed price of 105.531%, which price declines ratably until it reaches par in 2020.

Furthermore, upon occurrence of certain change of control events, the holders of the 2022 Notes may require the 2022 Co-Issuers to repurchase some or all of the notes at 101% of their face amount. The 2022 Notes contain covenants, which among other things, limit the incurrence of additional indebtedness, issuance of certain preferred stock, the payment of dividends, redemption or repurchase of capital stock or making restricted payments and investments, creation of certain liens, transfer or sale of assets, entering into certain transactions with affiliates, merging or consolidating or selling all or substantially all of the 2022 Co-Issuers' properties and assets and creation or designation of restricted subsidiaries. The 2022 Co-Issuers were in compliance with the covenants as of September 30, 2014.

2019 Logistics Senior Notes

On April 12, 2011, Navios Logistics and its wholly-owned subsidiary Navios Logistics Finance (US) Inc. (Logistics Finance and, together, the Logistics Co-Issuers) issued \$200.0 million in aggregate principal amount of senior notes due on April 15, 2019 at a fixed rate of 9.25% (the Existing 2019 Logistics Senior Notes). On March 12, 2013, the Logistics Co-Issuers issued \$90.0 million Additional 2019 Logistics Senior Notes (together with the Existing 2019 Logistics Senior Notes, the 2019 Logistics Senior Notes) at a premium, with a price of 103.750%.

On May 5, 2014, the Logistics Co-Issuers completed a tender offer (the Tender Offer) and related solicitation of consents for certain proposed amendments to the indenture governing the 2019 Logistics Senior Notes, for any and all of their outstanding 2019 Logistics Senior Notes. After the purchase by the Logistics Co-Issuers of all of the 2019 Logistics Senior Notes validly tendered and not validly withdrawn prior to the consent payment deadline, \$6.6 million in aggregate principal amount of 2019 Logistics Senior Notes remained outstanding. On May 22, 2014, the Logistics Co-Issuers also redeemed for cash all 2019 Logistics Senior Notes that remained outstanding after the completion of the Tender Offer, plus accrued and unpaid interest to, but not including, the redemption date. The effect of this transaction was the recognition of a \$27.3 million loss in the statement of comprehensive loss under Loss on bond extinguishment , consisting of a \$7.9 million loss relating to the accelerated amortization of unamortized deferred finance costs, a \$3.1 million gain relating to the accelerated amortization of unamortized Additional 2019 Logistics Senior Notes premium and a \$22.5 million loss relating to tender premium fees and expenses.

Table of Contents*2022 Logistics Senior Notes*

On April 22, 2014, Navios Logistics and Logistics Finance (the 2022 Logistics Co-Issuers) completed the sale of \$375.0 million in aggregate principal amount of the 2022 Logistics Senior Notes at a fixed rate of 7.25%. The 2022 Logistics Senior Notes are unregistered and fully and unconditionally guaranteed, jointly and severally, by all of Navios Logistics' direct and indirect subsidiaries except for Horamar do Brasil Navegação Ltda (Horamar do Brasil) and Naviera Alto Parana S.A. (Naviera Alto Parana), which are deemed to be immaterial, and Logistics Finance, which is the co-issuer of the 2022 Logistics Senior Notes. The subsidiary guarantees are full and unconditional , except that the indenture provides for an individual subsidiary's guarantee to be automatically released in certain customary circumstances, such as in connection with a sale or other disposition of all or substantially all of the assets of the subsidiary, in connection with the sale of a majority of the capital stock of the subsidiary, if the subsidiary is designated as an unrestricted subsidiary in accordance with the indenture, upon liquidation or dissolution of the subsidiary or upon legal or covenant defeasance or satisfaction and discharge of the 2022 Logistics Senior Notes.

The 2022 Logistics Co-Issuers have the option to redeem the 2022 Logistics Senior Notes in whole or in part, at their option, at any time (i) before May 1, 2017, at a redemption price equal to 100% of the principal amount plus the applicable make-whole premium plus accrued and unpaid interest, if any, to the redemption date and (ii) on or after May 1, 2017, at a fixed price of 105.438%, which price declines ratably until it reaches par in 2020. At any time before May 1, 2017, the 2022 Logistics Co-Issuers may redeem up to 35% of the aggregate principal amount of the 2022 Logistics Senior Notes with the net proceeds of an equity offering at 107.250% of the principal amount of the 2022 Logistics Senior Notes, plus accrued and unpaid interest, if any, to the redemption date so long as at least 65% of the originally issued aggregate principal amount of the 2022 Logistics Senior Notes remains outstanding after such redemption. In addition, upon the occurrence of certain change of control events, the holders of the 2022 Logistics Senior Notes will have the right to require the 2022 Logistics Co-Issuers to repurchase some or all of the 2022 Logistics Senior Notes at 101% of their face amount, plus accrued and unpaid interest to the repurchase date.

The 2022 Logistics Senior Notes contain covenants which, among other things, limit the incurrence of additional indebtedness, issuance of certain preferred stock, the payment of dividends in excess of 6% per annum of the net proceeds received by or contributed to Navios Logistics in or from any public offering, redemption or repurchase of capital stock or making restricted payments and investments, creation of certain liens, transfer or sale of assets, entering into transactions with affiliates, merging or consolidating or selling all or substantially all of Navios Logistics properties and assets and creation or designation of restricted subsidiaries.

The 2022 Logistics Co-Issuers were in compliance with the covenants as of September 30, 2014.

During the nine month period ended September 30, 2014, the Company paid \$15.8 million relating to scheduled repayment installments.

The annualized weighted average interest rates of the Company's total borrowings were 7.00% and 7.82% for the three month periods ended September 30, 2014 and 2013, respectively, and 7.24% and 7.78% for the nine month periods ended September 30, 2014 and 2013, respectively.

The maturity table below reflects the principal payments for the next five years and thereafter of all borrowings of Navios Holdings (including Navios Logistics) outstanding as of September 30, 2014, based on the repayment schedules of the respective loan facilities and the outstanding amount due under the debt securities.

	Amounts in millions of U.S. dollars
Payment due by period	
September 30, 2015	\$ 22.3
September 30, 2016	22.8
September 30, 2017	22.7
September 30, 2018	43.7
September 30, 2019	391.8
September 30, 2020 and thereafter	1,115.2
Total	\$ 1,618.5

Table of Contents**Contractual Obligations:**

	September 30, 2014				
	Payment due by period				
	(Amounts in millions of U.S. dollars)				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term Debt ⁽¹⁾	\$ 1,618.5	\$ 22.3	\$ 45.5	\$ 435.5	\$ 1,115.2
Operating Lease Obligations (Time Charters) for vessels in operation ⁽⁵⁾	359.7	75.9	112.1	94.9	76.8
Operating Lease Obligations (Time Charters) for vessels to be delivered	342.0	7.3	58.3	79.8	196.6
Operating Lease Obligations Push Boats and Barges	0.1	0.1			
Capital Lease Obligations	22.7	1.4	21.3		
Dry vessel deposits ⁽³⁾	118.4	82.0	36.4		
Navios Logistics contractual payments ⁽⁴⁾	25.3	21.5	3.8		
Rent Obligations ⁽²⁾	12.9	3.2	6.0	3.5	0.2
Total	\$ 2,499.6	\$ 213.7	\$ 283.4	\$ 613.7	\$ 1,388.8

- (1) The amount identified does not include interest costs associated with the outstanding credit facilities, which are based on LIBOR rates, plus the costs of complying with any applicable regulatory requirements and a margin ranging from 2.25% to 3.60% per annum. The amount does not include interest costs for the 2019 Notes, the 2022 Notes, and the 2022 Logistics Senior Notes.
- (2) Navios Corporation also leases approximately 16,703 square feet of space at 825 Third Avenue, New York pursuant to a lease that expires on April 29, 2019. Navios Shipmanagement Inc. and Navios Corporation lease approximately 3,882 square meters of space at 85 Akti Miaouli, Piraeus, Greece, pursuant to lease agreements that expires in 2017 and 2019. Navios Shipmanagement Inc. also leases office space in Monaco pursuant to a lease that expires on June 2015. On July 1, 2010, Kleimar N.V. signed a new contract and currently leases approximately 632 square meters for its offices. Navios Tankers Management Inc. leases approximately 254 square meters at 85 Akti Miaouli, Piraeus, Greece pursuant to a lease that expires in 2019. The table above incorporates the lease obligations of the offices of Navios Holdings, indicated in this footnote, and of Navios Logistics. See also Item 4.B. Business Overview Facilities in our Annual Report on Form 20-F for the year ended December 31, 2013, filed with the SEC.
- (3) Future remaining contractual deposits are for one 2012-built owned vessel, which was delivered in November 2014 and two newbuilding owned vessels, which are expected to be delivered in the third and fourth quarter of 2015.
- (4) Navios Logistics future remaining contractual payments for the acquisition of three new pushboats and of chartered-in fleet consisting of one pushboat and three liquid barges.
- (5) Approximately 38% of the time charter payments included above are estimated to relate to operational costs for these vessels.

Navios Holdings, Navios Acquisition and Navios Partners will make available to Navios Europe (in each case, in proportion to their ownership interests in Navios Europe) revolving loans of up to \$24.1 million to fund working capital requirements (collectively, the Navios Revolving Loans). As of September 30, 2014, Navios Holding's portion

of the undrawn amount relating to the Navios Revolving Loans was \$5.6 million.

Working Capital Position

On September 30, 2014, Navios Holdings' current assets totaled \$458.6 million, while current liabilities totaled \$187.8 million, resulting in a positive working capital position of \$270.8 million. Navios Holdings' cash forecast indicates that it will generate sufficient cash during 2014 to make the required principal and interest payments on its indebtedness, provide for the normal working capital requirements of the business and remain in a positive cash position during 2014.

While projections indicate that existing cash balances and operating cash flows will be sufficient to service existing indebtedness, Navios Holdings continues to review its cash flows with a view toward increasing working capital.

Capital Expenditures

On June 26, 2013, Navios Logistics acquired three pushboats for a total purchase price of \$20.3 million. These pushboats were delivered in the first quarter of 2014. During the nine months ended September 30, 2014, Navios Logistics paid \$3.6 million representing balance purchase price and other acquisition costs, including transportation.

Table of Contents

On August 5, 2013, Navios Logistics entered into an agreement for the construction of 36 dry barges for a total purchase price of \$19.1 million. These barges were delivered in the second quarter of 2014. On October 8, 2013, Navios Logistics exercised the option for the construction of additional 36 dry barges based on the same terms of the initial agreement. These barges were delivered in the third quarter of 2014. During the nine months period ended September 30, 2014, for both sets of barges Navios Logistics paid \$46.3 million representing balance purchase price and other acquisition costs, including transportation.

On January 26, 2014, Navios Holdings entered into agreements to purchase two bulk carrier vessels, one 84,000 dwt Panamax vessel and one 180,600 dwt Capesize vessel, to be built in Japan. The vessels' acquisition prices are \$31.8 million and \$52.0 million and are scheduled for delivery in the third and fourth quarter of 2015, respectively. During the nine month period ended September 30, 2014, Navios Holdings paid deposits for both vessels totaling \$17.6 million.

On January 27, 2014, Navios Asia took delivery of the N Bonanza, a 2006-built 76,596 dwt bulk carrier vessel for a purchase price of \$17.6 million, of which \$2.9 million was paid from the Company's cash, \$3.5 million from the noncontrolling shareholders' cash and \$11.3 million was financed through a loan.

On February 11, 2014, Navios Logistics entered into an agreement for the construction of three new pushboats with a purchase price of \$7.4 million each. During the nine month period ended September 30, 2014, Navios Logistics paid \$4.4 million for the construction of the new pushboats which are expected to be delivered in the third quarter of 2015.

On June 4, 2014, Navios Holdings took delivery of the Navios Gem, a 2014-built 181,336 dwt Capesize vessel for a purchase price of \$54.4 million, of which \$24.4 million was paid in cash and \$30.0 million was financed through a loan.

During the third quarter of 2014, Navios Logistics paid \$15.0 million for dredging works related to the expansion of its dry port in Uruguay.

On August 22, 2014, Navios Logistics entered into an agreement for the acquisition of a second-hand bunker vessel for a purchase price of \$4.2 million. As of September 30, 2014, the purchase price had been paid in full and the bunker vessel had been delivered.

On November 24, 2014, Navios Holdings acquired a 2012-built 179,515 dwt South Korean Capesize vessel, the Navios Ray, for a purchase price of \$51.4 million. The acquisition was financed with a loan of \$31.0 million and balance sheet cash.

Dividend Policy

Currently, Navios Holdings intends to retain most of its available earnings generated by operations for the development and growth of its business. In addition, the terms and provisions of Navios Holdings' current secured credit facilities and indentures limit its ability to pay dividends in excess of certain amounts or if certain covenants are not met. However, subject to the terms of its credit facilities and indentures, the Board of Directors may from time to time consider the payment of dividends and on November 19, 2014, the Board of Directors declared a quarterly cash dividend of \$0.06 per share of common stock, with respect to the third quarter of 2014, payable on December 18, 2014 to stockholders of record as of December 11, 2014. The declaration and payment of any dividend remains subject to the discretion of the Board, and will depend on, among other things, Navios Holdings' cash requirements after taking into account market opportunities, debt obligations, and restrictions contained in its credit agreements and indentures and market conditions.

Concentration of Credit Risk

Accounts receivable

Concentrations of credit risk with respect to accounts receivable are limited due to Navios Holdings' large number of customers, who are internationally dispersed and have a variety of end markets in which they sell. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in Navios Holdings' trade receivables. For the nine months ended September 30, 2014 and 2013, only one customer accounted for more than 10% of the Company's revenue.

Cash deposits with financial institutions

Cash deposits in excess of amounts covered by government-provided insurance are exposed to loss in the event of non-performance by financial institutions. Navios Holdings does maintain cash deposits in excess of government-provided insurance limits. Navios Holdings also minimizes exposure to credit risk by dealing with a diversified group of major financial institutions.

Table of Contents

Effects of Inflation

Navios Holdings does not consider inflation to be a significant risk to the cost of doing business in the foreseeable future. Inflation has a moderate impact on operating expenses, drydocking expenses and corporate overhead.

Off-Balance Sheet Arrangements

Charter hire payments to third parties for chartered-in vessels are treated as operating leases for accounting purposes. Navios Holdings is also committed to making rental payments under operating leases for its office premises. Future minimum rental payments under Navios Holdings' non-cancelable operating leases are included in the contractual obligations schedule above. As of September 30, 2014, Navios Holdings was contingently liable for letters of guarantee and letters of credit amounting to \$0.6 million issued by various banks in favor of various organizations and the total amount was collateralized by cash deposits, which are included as a component of restricted cash.

In November 2012 (as amended to update for charters in March 2014), the Company entered into an agreement with Navios Partners that provided Navios Partners with guarantees against counterparty default on certain existing charters (the "Navios Partners Guarantee"). The Navios Partners Guarantee provided Navios Partners with guarantees against counterparty default on certain existing charters, which had previously been covered by the charter insurance for the same vessels, same periods and same amounts. The Navios Partners Guarantee provides for a maximum possible payout of \$20.0 million by the Company to Navios Partners. Premiums that are calculated on the same basis as the restructured charter insurance are included in the management fee that is paid by Navios Partners to Navios Holdings pursuant to the management agreement. As of September 30, 2014, no claims were submitted to Navios Holdings.

The Company is involved in various disputes and arbitration proceedings arising in the ordinary course of business. Provisions have been recognized in the financial statements for all such proceedings where the Company believes that a liability may be probable, and for which the amounts can be reasonably estimated, based upon facts known on the date the financial statements were prepared. Management believes the ultimate disposition of these matters will be immaterial to the Company's financial position, results of operations or liquidity.

As of September 30, 2014, Navios Logistics' subsidiaries in South America were contingently liable for various claims and penalties to the local tax authorities amounting to a total of approximately \$0.7 million. According to the agreement governing the Horamar acquisition, if such cases are brought against us, the amounts involved will be reimbursed by the previous shareholders. As a result, Navios Logistics has recognized a receivable against such liability. The contingencies are expected to be resolved by 2021. In the opinion of management, the ultimate disposition of these matters is immaterial and will not adversely affect Navios Logistics' financial position, results of operations or liquidity.

Navios Logistics issued a guarantee and indemnity letter that guarantees the performance by Petrolera San Antonio S.A. of all its obligations to Vitol S.A. up to \$12.0 million. This guarantee expires on March 1, 2015.

Related Party Transactions

Office Rent: The Company has entered into lease agreements with Goldland Ktimatiki-Ikodomiki-Touristiki Xenodohiaki Anonimos Eteria and Emerald Ktimatiki-Ikodomiki Touristiki Xenodohiaki Anonimos Eteria, both of which are Greek corporations that are currently majority-owned by Angeliki Frangou, Navios Holdings' Chairman and Chief Executive Officer. The lease agreements provide for the leasing of facilities located in Piraeus, Greece to house the operations of most of the Company's subsidiaries. The total annual lease payments are in the aggregate 0.9 million

(approximately \$1.3 million) and the lease agreements expire in 2017 and 2019. These payments are subject to annual adjustments, which are based on the inflation rate prevailing in Greece as reported by the Greek State at the end of each year.

Purchase of Services: The Company utilizes its affiliate company, Acropolis Chartering and Shipping Inc. (Acropolis), as a broker. Navios Holdings has a 50% interest in Acropolis. Although Navios Holdings owns 50% of Acropolis stock, the two shareholders have agreed that the earnings and amounts declared by way of dividends will be allocated 35% to the Company with the balance to the other shareholder. As of September 30, 2014 and December 31, 2013, the carrying amount of the investment was \$0.6 million and \$0.4 million, respectively. Commissions charged from Acropolis for both the three and nine month periods ended September 30, 2014 and 2013 were \$0 and less than \$0.1 million, respectively. Included in the trade accounts payable at both September 30, 2014 and December 31, 2013 was an amount due to Acropolis of \$0.1 million.

Table of Contents

Vessels Charter Hire: In February 2012, the Company chartered-in from Navios Partners the Navios Apollon, a 2000-built Ultra-Handymax vessel. The term of this charter was approximately two years at a net daily rate of \$12,500 for the first year and \$13,500 for the second year, plus 50/50 profit sharing based on actual earnings. In January 2014, the Company extended this charter for approximately six months at a net daily rate of \$13,500 plus 50/50 profit sharing based on actual earnings and in October 2014, the Company further extended this charter for approximately one year at a net daily rate of \$12,500 plus 50/50 profit sharing based on actual earnings.

In May 2012, the Company chartered-in from Navios Partners the Navios Prosperity, a 2007-built Panamax vessel. The term of this charter was approximately one year with two six-month extension options granted to the Company at a net daily rate of \$12,000 plus profit sharing. In April 2014, the Company extended this charter for approximately one year and the owners will receive 100% of the first \$1,500 in profits above the base rate, and thereafter all profits will be split 50/50 to each party.

In September 2012, the Company chartered-in from Navios Partners the Navios Libra, a 1995-built Panamax vessel. The term of this charter is approximately three years at a net daily rate of \$12,000 plus 50/50 profit sharing based on actual earnings.

In May 2013, the Company chartered-in from Navios Partners the Navios Felicity, a 1997-built Panamax vessel. The term of this charter is approximately one year with two six-month extension options granted to the Company, at a net daily rate of \$12,000 plus profit sharing. The owners will receive 100% of the first \$1,500 in profits above the base rate, and thereafter all profits will be split 50/50 to each party. In February 2014, the Company exercised its first option to extend this charter, and in August 2014, the Company exercised its second option.

In May 2013, the Company chartered-in from Navios Partners the Navios Aldebaran, a 2008-built Panamax vessel, for six months with a six-month extension option. In December 2013, the Company exercised its option to extend this charter, at a net daily rate of \$11,000 plus profit sharing. The owners will receive 100% of the first \$2,500 in profits above the base rate, and thereafter all profits will be split 50/50 to each party. In July 2014, the Company further extended this charter for approximately six to nine months.

In July 2013, the Company chartered-in from Navios Partners the Navios Hope, a 2005-built Panamax vessel. The term of this charter is approximately one year at a net daily rate of \$10,000. In December 2013, the Company extended this charter for approximately another six months at a net daily rate of \$10,000 plus 50/50 profit sharing based on actual earnings.

In July 2013, the Company chartered-in from Navios Partners the Navios Melodia, a 2010-built Capesize vessel for a net daily rate of \$15,000. The charter-in contract was completed in October 2013.

In July 2013, the Company chartered-in from Navios Partners the Navios Pollux, a 2009-built Capesize vessel, under a voyage charter which was completed in August 2013. In August 2014, the Company chartered-in the Navios Pollux, for approximately three months at a net daily rate of \$21,300.

Total charter hire expense for all vessels for the three month periods ended September 30, 2014 and 2013 were \$7.8 million and \$9.1 million, respectively, and for the nine month periods ended September 30, 2014 and 2013 were \$20.5 million and \$16.8 million, respectively, and were included in the statement of comprehensive loss under Time charter, voyage and logistics business expenses .

Management Fees: Navios Holdings provides commercial and technical management services to Navios Partners vessels for a daily fixed fee: (i) \$4,000 daily rate per Ultra-Handymax vessel; (ii) \$4,100 daily rate per Panamax

vessel; (iii) \$5,100 daily rate per Capesize vessel; (iv) \$6,500 daily rate per container vessel of TEU 6,800 effective from January 1, 2014 through December 31, 2015; and (v) \$7,200 daily rate per container vessel of more than TEU 8,000 effective from delivery through December 31, 2015. Drydocking expenses under this agreement will be reimbursed by Navios Partners at cost at occurrence. Total management fees for the three month periods ended September 30, 2014 and 2013 amounted to \$12.6 million and \$8.8 million, respectively, and for the nine month periods ended September 30, 2014 and 2013, amounted to \$36.9 million and \$25.9 million, respectively.

Navios Holdings provides commercial and technical management services to Navios Acquisition's vessels for a daily fee of \$6,000 per owned MR2 product tanker and chemical tanker vessel, \$7,000 per owned LR1 product tanker vessel and \$10,000 per owned VLCC vessel fixed until May 2014. This daily fee covers all of the vessels' operating expenses, other than certain fees and costs. Actual operating costs and expenses will be determined in a manner consistent with how the initial fixed fees were determined. Drydocking expenses until May 2014 were fixed under this agreement for up to \$0.3 million per LR1 and MR2 product tanker vessel and will be reimbursed at cost for VLCC vessels. In May 2014, Navios Holdings extended the duration of its existing management agreement with Navios Acquisition until May 2020 and fixed the fees for ship management

Table of Contents

services of Navios Acquisition owned fleet for two additional years through May 2016 at current rates for product tanker and chemical tanker vessels, and reduced the daily rate to \$9,500 per VLCC vessel. Drydocking expenses under this agreement will be reimbursed at cost at occurrence for all vessels.

Effective March 30, 2012, Navios Acquisition can, upon request to Navios Holdings, partially or fully defer the reimbursement of drydocking and other extraordinary fees and expenses under the management agreement to a later date, but not later than January 5, 2016, and if reimbursed on a later date, such amounts will bear interest at a rate of 1% per annum over LIBOR. Commencing September 28, 2012, Navios Acquisition can, upon request, reimburse Navios Holdings partially or fully for any fixed management fees outstanding for a period of not more than nine months under the management agreement at a later date, but not later than January 5, 2016, and if reimbursed on a later date, such amounts will bear interest at a rate of 1% per annum over LIBOR. Total management fees for the three month periods ended September 30, 2014 and 2013 amounted to \$25.1 million and \$19.4 million, respectively, and for the nine month periods ended September 30, 2014 and 2013 amounted to \$71.2 million and \$49.3 million, respectively.

Pursuant to a management agreement dated December 13, 2013, Navios Holdings provides commercial and technical management services to Navios Europe's tanker and container vessels. The term of this agreement is for a period of six years. Management fees under this agreement will be reimbursed at cost at occurrence. Total management fees for the three month periods ended September 30, 2014 and 2013 amounted to \$5.6 million and \$0, respectively, and for the nine month periods ended September 30, 2014 and 2013 amounted to \$14.9 million and \$0, respectively.

Pursuant to a management agreement dated November 18, 2014, Navios Holdings provides commercial and technical management services to Navios Maritime Midstream Partners L.P. (Navios Midstream) vessels for a daily fixed fee of \$9,500 per owned VLCC vessel effective through November 18, 2016. Drydocking expenses under this agreement will be reimbursed at cost at occurrence for all vessels. The term of this agreement is for a period of five years.

Navios Partners Guarantee: In November 2012 (as amended to update for charters in March 2014), the Company entered into an agreement with Navios Partners that provided Navios Partners with guarantees against counterparty default on certain existing charters. See also [Off-Balance Sheet Arrangements](#) .

General and Administrative Expenses: Navios Holdings provides administrative services to Navios Partners. Such services include: bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations and other general and administrative services. Navios Holdings is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Total general and administrative fees charged for the three month periods ended September 30, 2014 and 2013 amounted to \$1.5 million and \$1.1 million, respectively, and for the nine month periods ended September 30, 2014 and 2013 amounted to \$4.5 million and \$3.2 million, respectively.

On May 28, 2010, Navios Holdings entered into an administrative services agreement with Navios Acquisition, pursuant to which Navios Holdings provides office space and certain administrative management services to Navios Acquisition which include: bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations and other general and administrative services. In May 2014, Navios Holdings extended the duration of its existing administrative services agreement with Navios Acquisition, until May 2020 pursuant to its existing terms. Navios Holdings is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Total general and administrative fees charged for the three month periods ended September 30, 2014 and 2013 amounted to \$1.9 million and \$1.0 million, respectively, and for the nine month periods ended September 30, 2014 and 2013 amounted to \$5.4 million and \$2.4 million, respectively.

On April 12, 2011, Navios Holdings entered into an administrative services agreement with Navios Logistics for a term of five years, pursuant to which Navios Holdings will provide certain administrative management services to Navios Logistics. Such services include bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations and other services. Navios Holdings is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Total general and administrative fees charged for both the three month periods ended September 30, 2014 and 2013 amounted to \$0.2 million, and for both the nine month periods ended September 30, 2014 and 2013 amounted to \$0.6 million. The general and administrative fees and have been eliminated upon consolidation.

Pursuant to a management agreement dated December 13, 2013, Navios Holdings provides administrative services to Navios Europe's tanker and container vessels. Such services include: bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations and other services. The term of this agreement is for a period of six years. Navios Holdings is reimbursed for reasonable

Table of Contents

costs and expenses incurred in connection with the provision of these services. Total general and administrative fees charged for the three month periods ended September 30, 2014 and 2013 amounted to \$0.2 million and \$0, respectively, and for the nine month periods ended September 30, 2014 and 2013 amounted to \$0.6 million and \$0, respectively.

Pursuant to an administrative services agreement dated November 18, 2014, Navios Holdings provides administrative services to Navios Midstream. Such services include: bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations and other services. The term of this agreement is for a period of five years. Navios Holdings is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services.

Balance Due from Affiliates (excluding Navios Europe): Balance due from affiliates as of September 30, 2014 amounted to \$33.5 million (December 31, 2013: \$12.1 million) which included the current amounts due from Navios Partners and Navios Acquisition, which were \$6.2 million (December 31, 2013: \$0.4 million) and \$9.6 million (December 31, 2013: \$6.5 million), respectively, and the non-current amount of \$17.7 million (December 31, 2013: \$5.1 million) due from Navios Acquisition. The balances mainly consisted of management fees, administrative fees, drydocking and other expenses and amounts payable.

Omnibus Agreements: Navios Holdings entered into an omnibus agreement with Navios Partners (the Partners Omnibus Agreement) in connection with the closing of Navios Partners IPO governing, among other things, when Navios Holdings and Navios Partners may compete against each other as well as rights of first offer on certain drybulk carriers. Pursuant to the Partners Omnibus Agreement, Navios Partners generally agreed not to acquire or own Panamax or Capesize drybulk carriers under time charters of three or more years without the consent of an independent committee of Navios Partners. In addition, Navios Holdings has agreed to offer to Navios Partners the opportunity to purchase vessels from Navios Holdings when such vessels are fixed under time charters of three or more years.

Navios Holdings entered into an omnibus agreement with Navios Acquisition and Navios Partners (the Acquisition Omnibus Agreement) in connection with the closing of Navios Acquisition's initial vessel acquisition, pursuant to which, among other things, Navios Holdings and Navios Partners agreed not to acquire, charter-in or own liquid shipment vessels, except for container vessels and vessels that are primarily employed in operations in South America, without the consent of an independent committee of Navios Acquisition. In addition, Navios Acquisition, under the Acquisition Omnibus Agreement, agreed to cause its subsidiaries not to acquire, own, operate or charter drybulk carriers subject to specific exceptions. Under the Acquisition Omnibus Agreement, Navios Acquisition and its subsidiaries granted to Navios Holdings and Navios Partners, a right of first offer on any proposed sale, transfer or other disposition of any of its drybulk carriers and related charters owned or acquired by Navios Acquisition. Likewise, Navios Holdings and Navios Partners agreed to grant a similar right of first offer to Navios Acquisition for any liquid shipment vessels it might own. These rights of first offer will not apply to a (i) sale, transfer or other disposition of vessels between any affiliated subsidiaries, or pursuant to the terms of any charter or other agreement with a counterparty, or (ii) merger with or into, or sale of substantially all of the assets to, an unaffiliated third party.

Navios Holdings entered into an omnibus agreement with Navios Midstream, Navios Acquisition and Navios Partners in connection with the Navios Midstream IPO, pursuant to which Navios Acquisition, Navios Holdings, Navios Partners and their controlled affiliates generally have agreed not to acquire or own any VLCCs, crude oil tankers, refined petroleum product tankers, LPG tankers or chemical tankers under time charters of five or more years without the consent of Navios Midstream. The omnibus agreement contains significant exceptions that will allow Navios Acquisition, Navios Holdings, Navios Partners or any of their controlled affiliates to compete with Navios Midstream under specified circumstances.

Midstream General Partner Option Agreement: Navios Holdings entered into an option agreement, dated November 18, 2014, with Navios Acquisition under which Navios Acquisition grants Navios Holdings the option to acquire any or all of the outstanding membership interests in Navios Maritime Midstream GP LLC (the Midstream General Partner) and all of the incentive distribution rights in Navios Midstream representing the right to receive an increasing percentage of the quarterly distributions when certain conditions are met. The option shall expire on November 18, 2024. Any such exercise shall relate to not less than twenty- five percent of the option interest and the purchase price for the acquisition for all or part of the option interest shall be an amount equal to its fair market value.

Sale of Vessels and Sale of Rights to Navios Partners: Upon the sale of vessels to Navios Partners, Navios Holdings recognizes the gain immediately in earnings only to the extent of the interest in Navios Partners owned by third parties and defers recognition of the gain to the extent of its own ownership interest in Navios Partners (the deferred gain). Subsequently, the deferred gain is amortized to income over the remaining useful life of the vessel. The recognition of the deferred gain is accelerated in the event that (i) the vessel is subsequently sold or otherwise disposed of by Navios Partners or (ii) the Company s ownership interest in Navios Partners is reduced. In connection with the public offerings of common units by Navios Partners, a pro rata portion of the deferred gain is released to income upon dilution of the Company s ownership interest

Table of Contents

in Navios Partners. As of September 30, 2014 and December 31, 2013, the unamortized deferred gain for all vessels and rights sold totaled \$17.0 million and \$21.6 million, respectively. For the three month periods ended September 30, 2014 and 2013, Navios Holdings recognized \$0.7 million and \$2.3 million, respectively, of the deferred gain in Equity in net earnings of affiliated companies and for the nine month periods ended September 30, 2014 and 2013, Navios Holdings recognized \$4.5 million and \$6.4 million of the deferred gain, respectively, in Equity in net earnings of affiliated companies .

The Navios Holdings Credit Facilities: Navios Acquisition entered into a \$40.0 million credit facility with Navios Holdings in 2010 which was amended in 2010 and 2011. The facility is available for multiple drawings up to a limit of \$40.0 million, has a margin of LIBOR plus 300 basis points and matures in December 2014. As of September 30, 2014, the outstanding amount under this facility was \$0 (December 31, 2013: \$0).

On November 11, 2014, Navios Acquisition entered into a short term credit facility with Navios Holdings pursuant to which Navios Acquisition may borrow up to \$200.0 million for general corporate purposes. The loan provides for an arrangement fee of \$4.0 million, matures on December 29, 2014 and bears a fixed interest of 600 bps. As of November 26, 2014, the amount outstanding under the credit facility was \$29.7 million.

Balance due from Navios Europe: Balance due from Navios Europe as of September 30, 2014 amounted to \$5.8 million (December 31, 2013: \$1.4 million) mainly consisting of management fees, accrued interest income earned under the Navios Revolving Loans (as defined herein) and other expenses and the non-current amount of \$0.5 million (December 31, 2013: \$0) related to the accrued interest income earned under the Navios Term Loans (as defined herein).

Navios Holdings, Navios Acquisition and Navios Partners provided in December 2013 loans aggregating to \$10.0 million to Navios Europe (in each case, in proportion to their ownership interests in Navios Europe) (collectively, the Navios Term Loans) and will further make available to Navios Europe revolving loans up to \$24.1 million to fund working capital requirements (in each case, in proportion to their ownership interests in Navios Europe) (collectively, the Navios Revolving Loans).

The Navios Revolving Loans and the Navios Term Loans earn interest and an annual preferred return, respectively, at 1,270 basis points compounded quarterly basis and are repaid from free cash flow (as defined in the loan agreement) at the end of each quarter. There are no covenant requirements or stated maturity dates.

As of September 30, 2014, Navios Holdings' portion of the investment in Navios Europe is \$4.9 million (December 31, 2013: \$4.8 million), under the caption Investment in affiliates and the outstanding amount relating to the Navios Revolving Loans is \$5.9 million (December 31, 2013: \$2.7 million), under caption Loan receivable from affiliate companies. As of September 30, 2014, the amount undrawn from the revolving facilities was \$11.7 million, of which Navios Holdings is committed to fund \$5.6 million.

Quantitative and Qualitative Disclosures about Market Risks

Navios Holdings is exposed to certain risks related to interest rate, foreign currency and charter rate risks. To manage these risks, Navios Holdings may use interest rate swaps (for interest rate risk) and FFAs (for charter rate risk).

Interest Rate Risk

Debt Instruments On September 30, 2014 and December 31, 2013, Navios Holdings had a total of \$1,618.5 million and \$1,508.1 million, respectively, of long-term indebtedness (excluding the premium related to the 2019 Logistics

Senior Notes). The debt is U.S. dollar-denominated and bears interest at a floating rate, except for the 2019 Notes, the 2022 Notes and the 2022 Logistics Senior Notes and one Navios Logistics loan discussed in Liquidity and Capital Resources that bear interest at a fixed rate.

The interest on the loan facilities is at a floating rate and, therefore, changes in interest rates would affect their related interest expense. As of September 30, 2014, the outstanding amount of the Company's floating rate loan facilities was \$243.1 million. The interest rate on the 2019 Notes, the 2022 Notes, the 2022 Logistics Senior Notes and the Navios Logistics loan is fixed and, therefore, changes in interest rates affect their fair value, which as of September 30, 2014 was \$1,325.9 million, but do not affect their related interest expense. A change in the LIBOR rate of 100 basis points would change interest expense for the nine months ended September 30, 2014 by \$1.8 million.

For a detailed discussion of Navios Holdings' debt instruments refer to the section Long-Term Debt Obligations and Credit Arrangements included elsewhere in this document.

Table of Contents

Foreign Currency Risk

Foreign Currency: In general, the shipping industry is a U.S. dollar dominated industry. Revenue is set mainly in U.S. dollars, and approximately 65.7% of Navios Holdings' expenses are also incurred in U.S. dollars. Certain of our expenses are paid in foreign currencies and a one percent change in the exchange rates of the various currencies at September 30, 2014 would change net income by approximately \$1.1 million for the nine months ended September 30, 2014.

Critical Accounting Policies

The Navios Holdings' interim consolidated financial statements have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires Navios Holdings to make estimates in the application of its accounting policies based on the best assumptions, judgments and opinions of management. Critical accounting policies are those that reflect significant judgments or uncertainties, and potentially result in materially different results under different assumptions and conditions. All significant accounting policies are as described in the Company's Annual Report on Form 20-F for the year ended December 31, 2013.

Investments in Equity Securities

Navios Holdings evaluates its investments in Navios Acquisition, Navios Partners, Navios Europe and KLC for other than temporary impairment (OTTI) on a quarterly basis. Consideration is given to (i) the length of time and the extent to which the fair value has been less than the carrying value, (ii) the financial condition and near-term prospects of such companies, and (iii) the intent and ability of the Company to retain its investment in these companies for a period of time sufficient to allow for any anticipated recovery in fair value. If the fair value of our equity method investments continues to remain below their carrying value and our OTTI analysis indicates such write down to be necessary, the potential future impairment charges may have a material adverse impact on our results of operations in the period recognized.

As of June 30, 2014, the Company considered the decline in fair value of the KLC shares as other-than-temporary and therefore recognized a loss of \$11.5 million out of accumulated other comprehensive loss. The respective loss was included in other (expense)/income, net in the accompanying consolidated statement of comprehensive loss.

Recent Accounting Pronouncements

In April 2014, the FASB issued ASU No. 2014-08 Presentation of Financial Statements and Property, Plant and Equipment changing the presentation of discontinued operations on the statements of income and other requirements for reporting discontinued operations. Under the new standard, a disposal of a component or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results when the component meets the criteria to be classified as held-for-sale or is disposed. The amendments in this update also require additional disclosures about discontinued operations and disposal of an individually significant component of an entity that does not qualify for discontinued operations. The new accounting guidance is effective for interim and annual periods beginning after December 15, 2014. The Company plans to adopt No. ASU 2014-08 effective January 1, 2015.

In May 2014, the FASB issued No. ASU 2014-09 Revenue from Contracts with Customers clarifying the method used to determine the timing and requirements for revenue recognition on the statements of comprehensive income. Under the new standard, an entity must identify the performance obligations in a contract, the transaction price and allocate the price to specific performance obligations to recognize the revenue when the obligation is completed. The

amendments in this update also require disclosure of sufficient information to allow users to understand the nature, amount, timing and uncertainty of revenue and cash flow arising from contracts. The new accounting guidance is effective for interim and annual periods beginning after December 15, 2016. Early adoption is not permitted. The Company is currently reviewing the effect of ASU No. 2014-09 on its revenue recognition.

Table of Contents

NAVIOS MARITIME HOLDINGS INC.

Index

	Page
<u>CONDENSED CONSOLIDATED BALANCE SHEETS AT SEPTEMBER 30, 2014 (UNAUDITED) AND DECEMBER 31, 2013</u>	F-2
<u>UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2014 AND 2013</u>	F-3
<u>UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTH PERIODS ENDED SEPTEMBER 30, 2014 AND 2013</u>	F-4
<u>UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTH PERIODS ENDED SEPTEMBER 30, 2014 AND 2013</u>	F-5
<u>CONDENSED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)</u>	F-6

F-1

Table of Contents

NAVIOS MARITIME HOLDINGS INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of U.S. dollars except share data)

	Note	September 30, 2014 (unaudited)	December 31, 2013
ASSETS			
Current assets			
Cash and cash equivalents		\$ 290,092	\$ 187,831
Restricted cash		1,880	2,041
Accounts receivable, net		81,108	86,219
Due from affiliate companies	8	21,067	8,328
Inventories		43,703	26,588
Prepaid expenses and other current assets		20,791	28,979
Total current assets		458,641	339,986
Deposits for vessel acquisitions	3	17,623	28
Vessels, port terminals and other fixed assets, net	3	1,896,467	1,808,855
Other long-term assets		66,222	67,977
Long-term receivable from affiliate companies	8	17,745	5,144
Loan receivable from affiliate companies	8	6,367	2,660
Investments in affiliates	8,13	333,384	335,303
Investments in available-for-sale securities	13	7,397	7,660
Intangible assets other than goodwill	4	177,080	191,664
Goodwill		160,336	160,336
Total non-current assets		2,682,621	2,579,627
Total assets		\$ 3,141,262	\$ 2,919,613
LIABILITIES AND STOCKHOLDERS EQUITY			
Current liabilities			
Accounts payable		\$ 74,753	\$ 51,692
Accrued expenses and other liabilities		77,660	64,199
Deferred income and cash received in advance	8	11,672	13,215
Current portion of capital lease obligations		1,436	1,400
Current portion of long-term debt	5	22,261	19,261
Total current liabilities		187,782	149,767

Edgar Filing: Navios Maritime Holdings Inc. - Form 6-K

Senior and ship mortgage notes, including premium	5	1,375,000	1,293,156
Long-term debt, net of current portion	5	221,274	198,832
Capital lease obligations, net of current portion		21,282	22,359
Unfavorable lease terms	4	23,374	27,074
Other long-term liabilities and deferred income	8	19,979	25,221
Deferred tax liability		14,975	13,869
Total non-current liabilities		1,675,884	1,580,511
Total liabilities		1,863,666	1,730,278
Commitments and contingencies	7		
Stockholders equity			
Preferred stock \$0.0001 par value, authorized 1,000,000 shares, 75,069 and 8,479 issued and outstanding as of September 30, 2014 and December 31, 2013, respectively.	9		
Common stock \$0.0001 par value, authorized 250,000,000 shares, 105,833,906 and 104,261,029 issued and outstanding as of September 30, 2014 and December 31, 2013, respectively.	9	11	10
Additional paid-in capital		717,175	552,778
Accumulated other comprehensive income/(loss)		117	(11,172)
Retained earnings		447,410	524,079
Total Navios Holdings stockholders equity		1,164,713	1,065,695
Noncontrolling interest		112,883	123,640
Total stockholders equity		1,277,596	1,189,335
Total liabilities and stockholders equity		\$ 3,141,262	\$ 2,919,613

See unaudited condensed notes to condensed consolidated financial statements

Table of Contents

NAVIOS MARITIME HOLDINGS INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Expressed in thousands of U.S. dollars except share and per share data)

	Note	Three Month Period Ended September 30, 2014 (unaudited)	Three Month Period Ended September 30, 2013 (unaudited)	Nine Month Period Ended September 30, 2014 (unaudited)	Nine Month Period Ended September 30, 2013 (unaudited)
Revenue	11	\$ 152,592	\$ 122,284	\$ 420,191	\$ 381,693
Time charter, voyage and logistics business expenses	8	(72,506)	(55,455)	(187,198)	(191,095)
Direct vessel expenses		(35,785)	(31,392)	(97,953)	(85,531)
General and administrative expenses		(7,784)	(9,137)	(28,382)	(27,972)
Depreciation and amortization	3,4	(26,798)	(24,410)	(78,300)	(72,966)
Interest expense and finance cost, net		(27,940)	(27,415)	(84,507)	(80,145)
Gain on sale of assets					18
Loss on bond extinguishment	5			(27,281)	
Other (expense)/income, net	10,13	(2,392)	(806)	(7,807)	5,668
Loss before equity in net earnings of affiliated companies		(20,613)	(26,331)	(91,237)	(70,330)
Equity in net earnings of affiliated companies	13	5,094	11,530	34,591	29,780
Loss before taxes		\$ (15,519)	\$ (14,801)	\$ (56,646)	\$ (40,550)
Income tax benefit/(expense)		35	1,407	(1,101)	4,979
Net loss		(15,484)	(13,394)	(57,747)	(35,571)
Less: Net (income)/loss attributable to the noncontrolling interest		(1,111)	346	6,525	(3,513)
Net loss attributable to Navios Holdings common stockholders		\$ (16,595)	\$ (13,048)	\$ (51,222)	\$ (39,084)

Loss attributable to Navios Holdings common stockholders, basic	12	\$	(20,506)	\$	(13,475)	\$	(57,933)	\$	(40,352)
Loss attributable to Navios Holdings common stockholders, diluted	12	\$	(20,506)	\$	(13,475)	\$	(57,933)	\$	(40,352)
Basic net losses per share attributable to Navios Holdings common stockholders		\$	(0.20)	\$	(0.13)	\$	(0.56)	\$	(0.40)
Weighted average number of shares, basic	12		103,798,829		101,861,079		103,082,480		101,801,655
Diluted net losses per share attributable to Navios Holdings common stockholders		\$	(0.20)	\$	(0.13)	\$	(0.56)	\$	(0.40)
Weighted average number of shares, diluted	12		103,798,829		101,861,079		103,082,480		101,801,655
Other Comprehensive income/(loss)									
Unrealized holding gain/(loss) on investments in available-for-sale securities	13	\$	117	\$	(5,210)	\$	(264)	\$	(6,010)
Reclassification to earnings	13						11,553		
Total other comprehensive income/(loss)		\$	117	\$	(5,210)	\$	11,289	\$	(6,010)
Total comprehensive loss		\$	(15,367)	\$	(18,604)	\$	(46,458)	\$	(41,581)
Comprehensive (income)/loss attributable to the noncontrolling interest			(1,111)		346		6,525		(3,513)
Total comprehensive loss attributable to Navios Holdings common stockholders		\$	(16,478)	\$	(18,258)	\$	(39,933)	\$	(45,094)

See unaudited condensed notes to condensed consolidated financial statements.

F-3

Table of Contents

NAVIOS MARITIME HOLDINGS INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of U.S. dollars)

	Note	Nine Month Period Ended September 30, 2014 (unaudited)	Nine Month Period Ended September 30, 2013 (unaudited)
OPERATING ACTIVITIES:			
Net loss		\$ (57,747)	\$ (35,571)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Non-cash adjustments		103,983	82,228
(Increase)/decrease in operating assets		(26,506)	49,109
Increase/(decrease) in operating liabilities		21,739	(6,424)
Payments for drydock and special survey costs		(7,694)	(10,287)
Net cash provided by operating activities		33,775	79,055
INVESTING ACTIVITIES:			
Acquisition of investments in affiliates	13	(2,233)	(163,169)
Acquisition of vessels	3	(72,003)	(67,813)
Deposits for vessel acquisitions	3	(17,595)	
Dividends from affiliate companies	2, 13	10,947	6,477
Acquisition of intangible assets			(2,092)
Loan to affiliate company		(3,211)	
Loan repayment from affiliate company	8		35,000
(Increase)/decrease in long-term receivable from affiliate companies	8	(3,111)	19,301
Purchase of property, equipment and other fixed assets	3	(78,702)	(44,807)
Net cash used in investing activities		(165,908)	(217,103)
FINANCING ACTIVITIES:			
Repayment of long-term debt and payment of principal	5	(15,808)	(33,079)
Repayment of senior notes	5	(290,000)	
Proceeds from long-term loans, net of deferred finance fees	5	40,365	39,368
Proceeds from issuance of senior notes including premium, net of debt issuance costs	5	365,732	90,240
Dividends paid		(22,165)	(19,804)
Issuance of common stock	9	643	434
Payments of obligations under capital leases		(1,040)	(895)
Net proceeds from issuance of preferred stock	9	163,929	

Edgar Filing: Navios Maritime Holdings Inc. - Form 6-K

Acquisition of noncontrolling interest	1	(10,889)	(750)
Contribution from noncontrolling shareholders	3	3,484	
Decrease in restricted cash		143	18,829
Net cash provided by financing activities		234,394	94,343
Increase/(decrease) in cash and cash equivalents		102,261	(43,705)
Cash and cash equivalents, beginning of period		187,831	257,868
Cash and cash equivalents, end of period		\$ 290,092	\$ 214,163

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid for interest, net of capitalized interest		\$ 76,426	\$ 69,441
Cash paid for income taxes		\$ 700	\$ 585
Non-cash investing and financing activities			
Dividends payable		\$ 3,282	\$
Investments in available-for-sale securities		\$	\$ 17,715
Purchase of property, equipment and other fixed assets	3	\$ (4,390)	\$
Accrued interest on loans to affiliate company		\$ 937	\$

See unaudited condensed notes to condensed consolidated financial statements.

Table of Contents

NAVIOS MARITIME HOLDINGS INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in thousands of U.S. dollars except share data)

	Number of Preferred Shares	Number of Preferred Stock	Number of Common Shares	Number of Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Navios Holdings Stockholder Equity	Noncontrolling Interest	Total Equity
Balance December 31, 2012	8,479	\$	103,255,409	\$ 10	\$ 547,377	\$ 659,547	\$ (558)	\$ 1,206,376	\$ 116,663	\$ 1,323,039
Net (loss)/income						(39,084)		(39,084)	3,513	(35,571)
Total other comprehensive loss							(6,010)	(6,010)		(6,010)
Navios Logistics acquisition of noncontrolling interest					(50)			(50)	(700)	(750)
Stock-based compensation expenses			131,335		2,510			2,510		2,510
Cancellation of shares			(12,452)							
Dividends declared/ paid						(19,804)		(19,804)		(19,804)
Balance September 30, 2013 (unaudited)	8,479	\$	103,374,292	\$ 10	\$ 549,837	\$ 600,659	\$ (6,568)	\$ 1,143,938	\$ 119,476	\$ 1,263,414
Balance December 31, 2013	8,479	\$	104,261,029	\$ 10	\$ 552,778	\$ 524,079	\$ (11,172)	\$ 1,065,695	\$ 123,640	\$ 1,189,335
Net loss						(51,222)		(51,222)	(6,525)	(57,747)
Total other comprehensive income							11,289	11,289		11,289
Issuance of preferred stock,	68,000				163,929			163,929		163,929

net of expenses (Note 9)									
Conversion of preferred stock to common stock (Note 9)	(1,410)	1,410,000	1				1		1
Contribution from noncontrolling shareholders (Note 3)								3,484	3,484
Acquisition of noncontrolling interest (Note 1)				(3,173)		(3,173)		(7,716)	(10,889)
Stock-based compensation expenses (Note 9)		168,309		3,641		3,641			3,641
Cancellation of shares (Note 9)		(5,432)							
Dividends declared/ paid				(25,447)		(25,447)			(25,447)
Balance September 30, 2014 (unaudited)	75,069	\$ 105,833,906	\$ 11	\$ 717,175	\$ 447,410	\$ 117	\$ 1,164,713	\$ 112,883	\$ 1,277,596

See unaudited condensed notes to condensed consolidated financial statements.

Table of Contents

NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

NOTE 1: DESCRIPTION OF BUSINESS

On August 25, 2005, Navios Maritime Holdings Inc. (Navios Holdings or the Company) was acquired by International Shipping Enterprises, Inc. (ISE) through the purchase of all of the outstanding shares of common stock of Navios Holdings. As a result of this acquisition, Navios Holdings became a wholly owned subsidiary of ISE. In addition, on August 25, 2005, simultaneously with the acquisition of Navios Holdings, ISE effected a reincorporation from the State of Delaware to the Republic of the Marshall Islands through a downstream merger with and into its newly acquired wholly owned subsidiary, whose name was and continues to be Navios Maritime Holdings Inc.

Navios Holdings is a global, vertically integrated seaborne shipping and logistics company focused on the transport and transshipment of drybulk commodities, including iron ore, coal and grain.

Navios Logistics

Navios South American Logistics Inc. (Navios Logistics), a consolidated subsidiary of the Company, is one of the largest logistics companies in the Hidrovia region of South America, serving the storage and marine transportation needs of its customers through two port storage and transfer facilities, one for grain commodities and the other for refined petroleum products, and a diverse fleet consisting of vessels, barges and pushboats. As of September 30, 2014, Navios Holdings owns 63.8% of Navios Logistics.

Navios Asia

In May 2013, Navios Holdings formed Navios Asia LLC (Navios Asia) in partnership with a third party and owned 51.0% of Navios Asia. In May 2014, Navios Holdings became the sole shareholder of Navios Asia by acquiring the remaining 49.0% for a total cash consideration of \$10,889.

Navios Partners

Navios Maritime Partners L.P. (Navios Partners) (NYSE:NMM) is an international owner and operator of dry cargo vessels and is engaged in seaborne transportation services of a wide range of drybulk commodities including iron ore, coal, grain and fertilizer, chartering its vessels under medium to long-term charters.

As of September 30, 2014, Navios Holdings owned a 20.0% interest in Navios Partners, including a 2.0% general partner interest.

Navios Acquisition

Navios Maritime Acquisition Corporation (Navios Acquisition) (NYSE: NNA), an affiliate (former subsidiary) of the Company, is an owner and operator of tanker vessels focusing in the transportation of petroleum products (clean and dirty) and bulk liquid chemicals.

Edgar Filing: Navios Maritime Holdings Inc. - Form 6-K

As of September 30, 2014, Navios Holdings' ownership of the outstanding voting stock of Navios Acquisition was 43.1% and its economic interest was 46.4%.

Navios Europe

On October 9, 2013, Navios Holdings, Navios Acquisition and Navios Partners established Navios Europe Inc. (Navios Europe) and have ownership interests of 47.5%, 47.5% and 5.0%, respectively. As of November 2014, Navios Holdings, Navios Acquisition and Navios Partners have effective voting interest of 50%, 50% and 0%, respectively.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) **Basis of presentation:** The accompanying interim condensed consolidated financial statements are unaudited, but, in the opinion of management, reflect all adjustments for a fair statement of Navios Holdings' consolidated financial positions, statement of stockholders' equity, statements of comprehensive income and cash flows for the periods presented. The results of operations for the interim periods are not necessarily indicative of results for the full year. The footnotes are condensed as permitted by the requirements for interim financial statements and accordingly, do not include information and disclosures required under United States generally accepted accounting principles (U.S. GAAP) for complete financial statements. All such adjustments are deemed to be of a normal recurring nature. The December 31, 2013 balance sheet data was derived from audited financial statements, but does not include all disclosures required by U.S. GAAP. These interim financial statements should be read in conjunction with the Company's consolidated financial statements and notes included in Navios Holdings' 2013 annual report filed on Form 20-F with the Securities and Exchange Commission (SEC).

For the nine month period ended September 30, 2013, the Company has revised its statement of cash flows to appropriately classify an amount of \$6,477 from operating cash inflows to investing cash inflows for dividends it received from one of its equity affiliate investees. These dividends represent a return of the investment (investing activity) rather than a return on the investment (operating activity).

(b) **Principles of consolidation:** The accompanying interim condensed consolidated financial statements include the accounts of Navios Holdings, a Marshall Islands corporation, and its majority owned subsidiaries. All significant intercompany balances and transactions have been eliminated in the consolidated statements.

Subsidiaries: Subsidiaries are those entities in which the Company has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. The acquisition method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition. The excess of the cost of acquisition over the fair value of the net assets acquired and liabilities assumed is recorded as goodwill. All subsidiaries included in the consolidated financial statements are 100% owned, except for Navios Logistics, which is 63.8% owned and Navios Asia, which was 51.0%, until May 2014, when Navios Holdings became the sole shareholder by acquiring the remaining 49.0% noncontrolling interest.

Table of Contents

NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

Investments in Affiliates: Affiliates are entities over which the Company generally has between 20% and 50% of the voting rights, or over which the Company has significant influence, but it does not exercise control. Investments in these entities are accounted for under the equity method of accounting. Under this method the Company records an investment in the stock of an affiliate at cost, and adjusts the carrying amount for its share of the earnings or losses of the affiliate subsequent to the date of investment and reports the recognized earnings or losses in income. Dividends received from an affiliate reduce the carrying amount of the investment. The Company recognizes gains and losses in earnings for the issuance of shares by its affiliates, provided that the issuance of shares qualifies as a sale of shares. When the Company's share of losses in an affiliate equals or exceeds its interest in the affiliate, the Company does not recognize further losses, unless the Company has incurred obligations or made payments on behalf of the affiliate.

Affiliates included in the financial statements accounted for under the equity method

In the consolidated financial statements of Navios Holdings, the following entities are included as affiliates and are accounted for under the equity method for such periods: (i) Navios Partners and its subsidiaries (ownership interest as of September 30, 2014 was 20.0%, which includes a 2.0% general partner interest); (ii) Navios Acquisition and its subsidiaries (economic interest as of September 30, 2014 was 46.4%); (iii) Acropolis Chartering and Shipping Inc. (Acropolis) (ownership interest as of September 30, 2014 was 50.0%); and (iv) Navios Europe and its subsidiaries (ownership interest as of September 30, 2014 was 47.5%).

(b) Recent Accounting Pronouncements:

In April 2014, the FASB issued ASU No. 2014-08 Presentation of Financial Statements and Property, Plant and Equipment changing the presentation of discontinued operations on the statements of income and other requirements for reporting discontinued operations. Under the new standard, a disposal of a component or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results when the component meets the criteria to be classified as held-for-sale or is disposed. The amendments in this update also require additional disclosures about discontinued operations and disposal of an individually significant component of an entity that does not qualify for discontinued operations. The new accounting guidance is effective for interim and annual periods beginning after December 15, 2014. The Company plans to adopt No. ASU 2014-08 effective January 1, 2015.

In May 2014, the FASB issued No. ASU 2014-09 Revenue from Contracts with Customers clarifying the method used to determine the timing and requirements for revenue recognition on the statements of comprehensive income. Under the new standard, an entity must identify the performance obligations in a contract, the transaction price and allocate the price to specific performance obligations to recognize the revenue when the obligation is completed. The amendments in this update also require disclosure of sufficient information to allow users to understand the nature, amount, timing and uncertainty of revenue and cash flow arising from contracts. The new accounting guidance is

effective for interim and annual periods beginning after December 15, 2016. Early adoption is not permitted. The Company is currently reviewing the effect of ASU No. 2014-09 on its revenue recognition.

NOTE 3: VESSELS, PORT TERMINALS AND OTHER FIXED ASSETS, NET

Vessels, Port Terminals and Other Fixed Assets, net	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2013	\$ 2,233,353	\$ (424,498)	\$ 1,808,855
Additions	155,095	(67,416)	87,679
Write-off	(211)	144	(67)
 Balance September 30, 2014	 \$ 2,388,237	 \$ (491,770)	 \$ 1,896,467

Deposits for Vessel Acquisitions

On January 26, 2014, Navios Holdings entered into agreements to purchase two bulk carrier vessels, one 84,000 deadweight tons (dwt) Panamax vessel and one 180,600 dwt Capesize vessel, to be built in Japan. The vessels acquisition prices are \$31,800 and \$52,000, respectively, and vessels are scheduled for delivery in the third and fourth quarter of 2015, respectively. During the nine month period ended September 30, 2014, Navios Holdings paid deposits for both vessels totaling \$17,595.

Vessels Acquisitions

On January 27, 2014, Navios Asia took delivery of the N Bonanza, a 2006-built 76,596 dwt bulk carrier vessel for a purchase price of \$17,634, of which \$2,900 was paid from the Company's cash, \$3,484 from the noncontrolling shareholders' cash and \$11,250 was financed through a loan.

On June 4, 2014, Navios Holdings took delivery of the Navios Gem, a 2014-built 181,336 dwt capesize vessel for a purchase price of \$54,368, of which \$24,368 was paid in cash and \$30,000 was financed through a loan.

On September 17, 2014, Navios Holdings entered into an agreement to purchase a 2012-built 179,515 dwt Capesize vessel for a purchase price of \$51,350. The vessel was delivered on November 24, 2014 and it was financed with debt and cash from operations.

Navios Logistics

On June 26, 2013, Navios Logistics acquired three pushboats for a total purchase price of \$20,250. These pushboats were delivered in the first quarter of 2014. During the nine months ended September 30, 2014, Navios Logistics paid \$3,600 representing balance purchase price and other acquisition costs, including transportation.

Table of Contents

NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

On August 5, 2013, Navios Logistics entered into an agreement for the construction of 36 dry barges for a total purchase price of \$19,080. These barges were delivered in the second quarter of 2014. On October 8, 2013, Navios Logistics exercised the option for the construction of additional 36 dry barges based on the same terms of the initial agreement. These barges were delivered in the third quarter of 2014. During the nine months ended September 30, 2014, for both sets of barges Navios Logistics paid \$46,305 representing balance purchase price and other acquisition costs, including transportation.

On February 11, 2014, Navios Logistics entered into an agreement for the construction of three new pushboats with a purchase price of \$7,400 each. During the nine months ended September 30, 2014, Navios Logistics paid \$4,440 for the construction of the new pushboats, which are expected to be delivered in the third quarter of 2015.

During the third quarter of 2014, Navios Logistics paid \$15,000 for dredging works related to the expansion of its dry port in Uruguay.

On August 22, 2014, Navios Logistics entered into an agreement for the acquisition of a second-hand bunker vessel for a purchase price of \$4,200. As of September 30, 2014, the purchase price had been paid in full and the bunker vessel had been delivered.

NOTE 4: INTANGIBLE ASSETS OTHER THAN GOODWILL

	September 30, 2014	December 31, 2013
Intangible assets		
Acquisition Cost(*) (**)	\$ 330,241	\$ 379,117
Accumulated amortization(*)	(153,161)	(187,453)
Total Intangible assets net book value	177,080	191,664
Unfavorable lease terms		
Acquisition Cost(***)	(121,028)	(121,028)
Accumulated amortization	97,654	93,954
Unfavorable lease terms net book value	(23,374)	(27,074)
Total Intangibles net book value	\$ 153,706	\$ 164,590

- (*) As of September 30, 2014, intangible assets associated with favorable lease terms included an amount of \$21,782 related to purchase options for the vessels and \$48,876 favorable lease terms were fully amortized.
- (**) On March 19, 2013, Navios Logistics acquired Energias Renovables del Sur S.A (Enresur), a Uruguayan company, for a total consideration of \$2,092. Enersur, as a free zone direct user, holds the right to occupy approximately 12 hectares of undeveloped land located in the Nueva Palmira free zone in Uruguay, near to Navios Logistics existing port. Navios Logistics accounted for this transaction as an asset acquisition and as a result, an intangible asset related to the contractual rights of \$2,092 was recorded under port terminals operating rights.
- (***) As of September 30, 2014, the intangible liability associated with the unfavorable lease terms included an amount of \$9,405 related to purchase options held by third parties.
- Amortization expense, net for the three month periods ended September 30, 2014 and 2013 amounted to \$3,632 and \$3,654, respectively, and for the nine month periods ended September 30, 2014 and 2013 amounted to \$10,884 and \$10,901, respectively.

The remaining aggregate amortization of acquired intangibles as of September 30, 2014 will be as follows:

Period	
Year One	\$ 14,157
Year Two	15,488
Year Three	13,873
Year Four	6,266
Year Five	5,106
Thereafter	86,439
Total	\$ 141,329

Table of Contents

NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

NOTE 5: BORROWINGS

Borrowings, as of September 30, 2014 and December 31, 2013, consisted of the following:

<i>Facility</i>	September 30, 2014	December 31, 2013
Secured credit facilities	\$ 243,059	\$ 217,565
2019 Notes	350,000	350,000
2022 Notes	650,000	650,000
2019 Logistics Senior Notes		290,000
2022 Logistics Senior Notes	375,000	
Navios Logistics other long-term loans	476	528
Total borrowings	1,618,535	1,508,093
Plus: unamortized premium		3,156
Less: current portion	(22,261)	(19,261)
Total long-term borrowings	\$ 1,596,274	\$ 1,491,988

Secured credit facilities

On December 20, 2013, Navios Asia entered into a facility with Crédit Agricole Corporate and Investment Bank for an amount of up to \$22,500 in two equal tranches in order to finance the acquisition of the N Amalthia, which was delivered in October 2013, and the N Bonanza, which was delivered in January 2014. The two tranches bear interest at a rate of LIBOR plus 300 basis points. During the first quarter of 2014, Navios Asia had drawn the second tranche of \$11,250 in order to finance the acquisition of N Bonanza, which is repayable in ten equal semi-annual installments of \$563, with a final balloon payment of \$5,625 on the last repayment date.

On June 27, 2014, Navios Holdings refinanced its existing facility with DVB Bank SE, Crédit Agricole Corporate and Investment Bank and Norddeutsche Landesbank Girozentrale, entering into a new tranche for an amount of \$30,000 in order to finance the acquisition of the Navios Gem, which was delivered in June 2014. The loan bears interest at a rate of LIBOR plus 275 basis points. As of September 30, 2014, the Company had drawn the entire available amount under the new tranche facility, which is repayable in 24 quarterly installments of \$469, with a final balloon payment of \$18,750 on the last repayment date.

As of September 30, 2014, the Company had secured credit facilities with various banks with a total outstanding balance of \$243,059. The purpose of the facilities was to finance the construction or acquisition of vessels or refinance existing indebtedness. All of the facilities are denominated in U.S. Dollars and bear interest based on LIBOR plus spread ranging from 2.25% to 3.60% per annum. The facilities are repayable in either semi-annual or quarterly installments, followed by balloon payments with maturities, ranging from September 2018 to May 2022. See also the maturity table included below.

The facilities are secured by first priority mortgages on certain of Navios Holdings' vessels and other collateral.

The credit facilities contain a number of restrictive covenants that limit Navios Holdings and/or certain of its subsidiaries from, among other things: incurring or guaranteeing indebtedness; entering into affiliate transactions; charging, pledging or encumbering the vessels securing such facilities; changing the flag, class, management or ownership of certain Navios Holdings' vessels; changing the commercial and technical management of certain Navios Holdings' vessels; selling or changing the ownership of certain Navios Holdings' vessels; and subordinating the obligations under the credit facilities to any general and administrative costs relating to the vessels. The credit facilities also require the vessels to comply with the ISM Code and ISPS Code and to maintain valid safety management certificates and documents of compliance at all times. Additionally, the credit facilities require compliance with the covenants contained in the indentures governing the 2019 Notes and the 2022 Notes. Among other events, it will be an event of default under the credit facilities if the financial covenants are not complied with or if Angeliki Frangou and her affiliates, together, own less than 20% of the outstanding share capital of Navios Holdings.

As of September 30, 2014, the Company was in compliance with all of the covenants under each of its credit facilities.

Senior Notes

On January 28, 2011, the Company and its wholly owned subsidiary, Navios Maritime Finance II (US) Inc. (together with the Company, the 2019 Co-Issuers) completed the sale of \$350,000 of 8.125% Senior Notes due 2019 (the 2019 Notes). The net proceeds from the sale of the 2019 Notes were used to redeem any and all of Navios Holdings then-outstanding 9.5% Senior Notes due 2014 and pay related transaction fees and expenses and for general corporate purposes.

The 2019 Notes are fully and unconditionally guaranteed, jointly and severally and on an unsecured senior basis, by all of the Company's subsidiaries, other than Navios Maritime Finance II (US) Inc., Navios Maritime Finance (US) Inc., Navios Logistics and its subsidiaries and Navios GP L.L.C. The subsidiary guarantees are full and unconditional , as those terms are used in Regulation S-X Rule 3-10, except that the indenture provides for an individual subsidiary's guarantee to be automatically released in certain customary circumstances, such as when a subsidiary is sold or all of the assets of the subsidiary are sold, the capital stock is sold, when the subsidiary is designated as an unrestricted subsidiary for purposes of the indenture, upon liquidation or dissolution of the subsidiary or upon legal or covenant defeasance or satisfaction and discharge of the 2019 Notes. The 2019 Co-Issuers have the option to redeem the 2019 Notes in whole or in part, at any time (i) before February 15, 2015, at a redemption price equal to 100% of the principal amount, plus a make whole premium, plus accrued and unpaid interest, if any, and (ii) on or after February 15, 2015, at a fixed price of 104.063% of the principal amount, which price declines ratably until it reaches par in 2017, plus accrued and unpaid interest, if any. In addition, upon the occurrence of certain change of control events, the holders of the 2019 Notes will have the right to require the 2019 Co-Issuers to repurchase some or all of the 2019 Notes at 101% of their face amount, plus accrued and unpaid interest to the repurchase date.

The 2019 Notes contain covenants which, among other things, limit the incurrence of additional indebtedness, issuance of certain preferred stock, the payment of dividends, redemption or repurchase of capital stock or making restricted payments and investments, creation of certain liens, transfer or sale of assets, entering in transactions with affiliates, merging or consolidating or selling all or substantially all of the 2019 Co-Issuers' properties and assets and creation or designation of restricted subsidiaries. The 2019 Co-Issuers were in compliance with the covenants as of September 30, 2014.

Table of Contents

NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

Ship Mortgage Notes

In November 2009, the Company and its wholly-owned subsidiary, Navios Maritime Finance (US) Inc. (together, the Mortgage Notes Co-Issuers) issued \$400,000 of first priority ship mortgage notes due on November 1, 2017 at a fixed rate of 8.875% (the 2017 Notes). In July 2012, the Mortgage Notes Co-Issuers issued an additional \$88,000 of the 2017 Notes at par value. On November 29, 2013, Navios Holdings completed the sale of \$650,000 of its 7.375% First Priority Ship Mortgage Notes due 2022 (the 2022 Notes). The net proceeds of the offering of the 2022 Notes have been used: (i) to repay in full the 2017 Notes; and (ii) to repay in full indebtedness of \$123,257 relating to six vessels added as collateral under the 2022 Notes. The remainder has been used for general corporate purposes.

The 2022 Notes are senior obligations of Navios Holdings and Navios Maritime Finance II (US) Inc. (the 2022 Co-Issuers) and are secured by first priority ship mortgages on 23 drybulk vessels owned by certain subsidiary guarantors and certain other associated property and contract rights. The 2022 Notes are unregistered and fully and unconditionally guaranteed, jointly and severally by all of the Company s direct and indirect subsidiaries that guarantee the 2019 Notes and Navios Maritime Finance II (US) Inc. The guarantees of the Company s subsidiaries that own mortgaged vessels are senior secured guarantees and the guarantees of the Company s subsidiaries that do not own mortgaged vessels are senior unsecured guarantees. In addition, the 2022 Co-Issuers have the option to redeem the 2022 Notes in whole or in part, at any time (i) before January 15, 2017, at a redemption price equal to 100% of the principal amount plus a make whole price which is based on a formula calculated using a discount rate of treasury bonds plus 50 basis points, and (ii) on or after January 15, 2017, at a fixed price of 105.531%, which price declines ratably until it reaches par in 2020.

Furthermore, upon occurrence of certain change of control events, the holders of the 2022 Notes may require the 2022 Co-Issuers to repurchase some or all of the notes at 101% of their face amount. The 2022 Notes contain covenants, which among other things, limit the incurrence of additional indebtedness, issuance of certain preferred stock, the payment of dividends, redemption or repurchase of capital stock or making restricted payments and investments, creation of certain liens, transfer or sale of assets, entering into certain transactions with affiliates, merging or consolidating or selling all or substantially all of the 2022 Co-Issuers properties and assets and creation or designation of restricted subsidiaries. The 2022 Co-Issuers were in compliance with the covenants as of September 30, 2014.

2019 Logistics Senior Notes

On April 12, 2011, Navios Logistics and its wholly-owned subsidiary Navios Logistics Finance (US) Inc. (Logistics Finance and, together, the Logistics Co-Issuers) issued \$200,000 in aggregate principal amount of senior notes due on April 15, 2019 at a fixed rate of 9.25% (the Existing 2019 Logistics Senior Notes). On March 12, 2013, the Logistics Co-Issuers issued \$90,000 in aggregate principal amount of 9.25% Logistics Senior Notes due 2019 (the Additional 2019 Logistics Senior Notes), and together with the Existing 2019 Logistics Senior Notes, the 2019 Logistics Senior Notes) at a premium, with a price of 103.750%.

On May 5, 2014, the Logistics Co-Issuers completed a cash tender offer (the Tender Offer) and related solicitation of consents for certain proposed amendments to the indenture governing the 2019 Logistics Senior Notes, for any and all of their outstanding 2019 Logistics Senior Notes. After the purchase by the Logistics Co-Issuers of all of the 2019 Logistics Senior Notes validly tendered and not validly withdrawn prior to the consent payment deadline, \$6,595 in aggregate principal amount of the 2019 Logistics Senior Notes remained outstanding. On May 22, 2014, the Logistics Co-Issuers also redeemed for cash all 2019 Logistics Senior Notes that remained outstanding after the completion of the Tender Offer, plus accrued and unpaid interest to, but not including, the redemption date. The effect of this transaction was the recognition of a \$27,281 loss in the statement of comprehensive loss under Loss on bond extinguishment , consisting of a \$7,881 loss relating to the accelerated amortization of unamortized deferred finance costs, a \$3,095 gain relating to the accelerated amortization of unamortized Additional 2019 Logistics Senior Notes premium and a \$22,495 loss relating to tender premium fees and expenses.

2022 Logistics Senior Notes

On April 22, 2014, Navios Logistics and Logistics Finance (the "2022 Logistics Co-Issuers") completed the sale of \$375,000 in aggregate principal amount of senior notes due on May 1, 2022 at a fixed rate of 7.25% (the "2022 Logistics Senior Notes"). The 2022 Logistics Senior Notes are unregistered and fully and unconditionally guaranteed, jointly and severally, by all of Navios Logistics' direct and indirect subsidiaries except for Horamar do Brasil Navegação Ltda ("Horamar do Brasil") and Naviera Alto Parana S.A. ("Naviera Alto Parana"), which are deemed to be immaterial, and Logistics Finance, which is the co-issuer of the 2022 Logistics Senior Notes. The subsidiary guarantees are full and unconditional, except that the indenture provides for an individual subsidiary's guarantee to be automatically released in certain customary circumstances, such as in connection with a sale or other disposition of all or substantially all of the assets of the subsidiary, in connection with the sale of a majority of the capital stock of the subsidiary, if the subsidiary is designated as an unrestricted subsidiary in accordance with the indenture, upon liquidation or dissolution of the subsidiary or upon legal or covenant defeasance or satisfaction and discharge of the 2022 Logistics Senior Notes.

The 2022 Logistics Co-Issuers have the option to redeem the 2022 Logistics Senior Notes in whole or in part, at their option, at any time (i) before May 1, 2017, at a redemption price equal to 100% of the principal amount plus the applicable make-whole premium plus accrued and unpaid interest, if any, to the redemption date and (ii) on or after May 1, 2017, at a fixed price of 105.438%, which price declines ratably until it reaches par in 2020. At any time before May 1, 2017, the 2022 Logistics Co-Issuers may redeem up to 35% of the aggregate principal amount of the 2022 Logistics Senior Notes with the net proceeds of an equity offering at 107.250% of the principal amount of the 2022 Logistics Senior Notes, plus accrued and unpaid interest, if any, to the redemption date so long as at least 65% of the originally issued aggregate principal amount of the 2022 Logistics Senior Notes remains outstanding after such redemption. In addition, upon the occurrence of certain change of control events, the holders of the 2022 Logistics Senior Notes will have the right to require the 2022 Logistics Co-Issuers to repurchase some or all of the 2022 Logistics Senior Notes at 101% of their face amount, plus accrued and unpaid interest to the repurchase date.

The 2022 Logistics Senior Notes contain covenants which, among other things, limit the incurrence of additional indebtedness, issuance of certain preferred stock, the payment of dividends in excess of 6% per annum of the net proceeds received by or contributed to Navios Logistics in or from any public offering, redemption or repurchase of capital stock or making restricted payments and investments, creation of certain liens, transfer or sale of assets, entering into transactions with affiliates, merging or consolidating or selling all or substantially all of Navios Logistics properties and assets and creation or designation of restricted subsidiaries.

The 2022 Logistics Co-Issuers were in compliance with the covenants as of September 30, 2014.

During the nine month period ended September 30, 2014, the Company paid \$15,808 relating to scheduled repayment installments.

The annualized weighted average interest rates of the Company's total borrowings were 7.00% and 7.82% for the three month periods ended September 30, 2014 and 2013, respectively, and 7.24% and 7.78% for the nine month periods ended September 30, 2014 and 2013, respectively.

Table of Contents

NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

The maturity table below reflects the principal payments for the next five years and thereafter of all borrowings of Navios Holdings (including Navios Logistics) outstanding as of September 30, 2014, based on the repayment schedules of the respective loan facilities and the outstanding amount due under the debt securities.

Payment due by period	
September 30, 2015	\$ 22,261
September 30, 2016	22,761
September 30, 2017	22,761
September 30, 2018	43,762
September 30, 2019	391,810
September 30, 2020 and thereafter	1,115,180
Total	\$ 1,618,535

NOTE 6: FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and cash equivalents: The carrying amounts reported in the consolidated balance sheets for interest bearing deposits and money market funds approximate their fair value because of the short maturity of these investments.

Restricted cash: The carrying amounts reported in the consolidated balance sheets for interest bearing deposits approximate their fair value because of the short maturity of these investments.

Borrowings: The carrying amount of the floating rate loans approximates their fair value. The 2019 Notes, the 2022 Notes and the 2019 and 2022 Logistics Senior Notes are fixed rate borrowings and their fair value was determined based on quoted market prices.

Capital leases: The capital leases are fixed rate obligations and their carrying amounts approximate their fair value.

Loan receivable from affiliate companies: The carrying amount of the floating rate loan approximates its fair value.

Long-term receivable from affiliate companies: The carrying amount of the floating rate receivable approximates its fair value.

Accounts receivable, net: Carrying amounts are considered to approximate fair value due to the short-term nature of these accounts receivables and because there were no significant changes in interest rates. All amounts that are assumed to be uncollectable are written off and/or reserved.

Accounts payable: The carrying amounts of accounts payable reported in the balance sheet approximates their fair value due to the short-term nature of these accounts payable and because there were no significant changes in interest rates.

Investments in available-for-sale securities: The carrying amount of the investments in available-for-sale securities reported in the balance sheet represents unrealized gains and losses on these securities, which are reflected directly in equity unless an unrealized loss is considered other-than-temporary, in which case it is transferred to the statements of comprehensive income/(loss).

The estimated fair values of the Company's financial instruments are as follows:

	September 30, 2014		December 31, 2013	
	Book Value	Fair Value	Book Value	Fair Value
Cash and cash equivalents	\$ 290,092	\$ 290,092	\$ 187,831	\$ 187,831
Restricted cash	\$ 1,880	\$ 1,880	\$ 2,041	\$ 2,041
Accounts receivable, net	\$ 81,108	\$ 81,108	\$ 86,219	\$ 86,219
Due from affiliate companies	\$ 21,067	\$ 21,067	\$ 8,328	\$ 8,328
Investments in available-for-sale-securities	\$ 7,397	\$ 7,397	\$ 7,660	\$ 7,660
Loan receivable from affiliate companies	\$ 6,367	\$ 6,367	\$ 2,660	\$ 2,660
Long-term receivable from affiliate companies	\$ 17,745	\$ 17,745	\$ 5,144	\$ 5,144
Accounts payable	\$ (74,753)	\$ (74,753)	\$ (51,692)	\$ (51,692)
Capital lease obligations, including current portion	\$ (22,718)	\$ (22,718)	\$ (23,759)	\$ (23,759)
Senior and ship mortgage notes, including premium	\$ (1,375,000)	\$ (1,325,439)	\$ (1,293,156)	\$ (1,326,897)
Long-term debt, including current portion	\$ (243,535)	\$ (243,535)	\$ (218,093)	\$ (218,093)

The following tables set forth our assets that are measured at fair value on a recurring basis categorized by fair value hierarchy level. As required by the fair value guidance, assets are categorized in their entirety based on the lowest level of input that is significant to the fair value measurement.

Assets	Fair Value Measurements as of September 30, 2014			
	Total	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
Investments in available-for-sale securities	\$ 7,397	\$ 7,397	\$	\$
Total	\$ 7,397	\$ 7,397	\$	\$

Table of Contents

NAVIOS MARITIME HOLDINGS INC.

UNAUDITED CONDENSED NOTES TO THE

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

Assets	Fair Value Measurements as of December 31, 2013			
	Total	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
Investments in available-for-sale securities	\$ 7,660	\$ 7,660	\$	\$
Total	\$ 7,660	\$ 7,660	\$	\$

Fair Value Measurements

The estimated fair value of our financial instruments that are not measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, are as follows:

Level I: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets that we have the ability to access. Valuation of these items does not entail a significant amount of judgment.

Level II: Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.

Level III: Inputs that are unobservable.

	Fair Value Measurements at September 30, 2014			
	Total	(Level I)	(Level II)	(Level III)
Cash and cash equivalents	\$ 290,092	\$ 290,092	\$	\$
Restricted cash	\$ 1,880	\$ 1,880	\$	\$
Senior and ship mortgage notes, including premium	\$ (1,325,439)	\$ (1,325,439)	\$	\$
Capital lease obligations, including current portion ⁽¹⁾	\$ (22,718)	\$	\$ (22,718)	\$
Long-term debt, including current portion ⁽¹⁾	\$ (243,535)	\$	\$ (243,535)	\$
Loan receivable from affiliate companies ⁽²⁾	\$ 6,367	\$	\$ 6,367	\$
Long-term receivable from affiliate companies ⁽²⁾	\$ 17,745	\$	\$ 17,745	\$

	Fair Value Measurements at December 31, 2013			
	Total	(Level I)	(Level II)	(Level III)
Cash and cash equivalents	\$ 187,831	\$ 187,831	\$	\$
Restricted cash	\$ 2,041	\$ 2,041	\$	\$
Senior and ship mortgage notes, including premium	\$ (1,326,897)	\$ (1,326,897)	\$	\$
Capital lease obligations, including current portion ⁽¹⁾	\$ (23,759)	\$	\$ (23,759)	\$
Long-term debt, including current portion ⁽¹⁾	\$ (218,093)	\$	\$ (218,093)	\$
Loan receivable from affiliate companies ⁽²⁾	\$ 2,660	\$	\$ 2,660	\$
Long-term receivable from affiliate companies ⁽²⁾	\$ 5,144	\$	\$ 5,144	\$

- (1) The fair value of the Company's long-term debt is estimated based on currently available debt with similar contract terms, interest rates and remaining maturities, published quoted market prices as well as taking into account the Company's creditworthiness.
- (2) The fair value of the Company's loan receivable from affiliate companies and long-term receivable from affiliate companies is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the counterparty's creditworthiness.

NOTE 7: COMMITMENTS AND CONTINGENCIES

As of September 30, 2014, the Company was contingently liable for letters of guarantee and letters of credit amounting to \$590 (December 31, 2013: \$590) issued by various banks in favor of various organizations and the total amount was collateralized by cash deposits, which were included as a component of restricted cash.

In connection with the acquisition of Horamar, Navios Logistics recorded liabilities for certain pre-acquisition contingencies amounting to \$6,632 (\$2,907 relating to VAT-related matters, \$1,703 for withholding tax-related matters, \$1,511 relating to provisions for claims and others and \$511 for income tax-related matters) that were included in the allocation of the purchase price based on their respective fair values. As it relates to these contingencies, the prior owners of Horamar agreed to indemnify Navios Logistics in the event that any of the above contingencies materialize before agreed-upon dates, extending to various dates through 2021. As of September 30, 2014, the remaining liability related to these pre-acquisition contingencies amounted to \$683 (December 31, 2013: \$829) and was entirely offset by an indemnification asset for the same amount, which was reflected in other long-term assets.

The Company is involved in various disputes and arbitration proceedings arising in the ordinary course of business. Provisions have been recognized in the financial statements for all such proceedings where the Company believes that a liability may be probable, and for which the amounts can be reasonably estimated, based upon facts known on the date the financial statements were prepared. In the opinion of management, the ultimate disposition of these matters is expected to be immaterial to the financial statements individually and in the aggregate and will not adversely affect the Company's financial position, results of operations or liquidity.

The Company, in the normal course of business, entered into contracts to time charter-in vessels for various periods through April 2026.

Table of Contents

NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

As of September 30, 2014, the Company's future minimum commitments, net of commissions under chartered-in vessels, barges and pushboats were as follows:

	In operation	To be delivered	Total
September 30, 2015	\$ 75,979	\$ 7,265	\$ 83,244
September 30, 2016	59,074	20,524	79,598
September 30, 2017	53,030	37,801	90,831
September 30, 2018	51,220	39,876	91,096
September 30, 2019	43,729	39,876	83,605
September 30, 2020 and thereafter	76,829	196,637	273,466
Total	\$ 359,861	\$ 341,979	\$ 701,840

As of September 30, 2014, the Company has future remaining contractual deposits for one 2012-built owned vessel, which was delivered in November 2014 and two newbuilding owned vessels, which are expected to be delivered in the third and fourth quarter of 2015. Navios Logistics has obligations related to the acquisition of three new pushboats and remaining installments for the acquisition of the chartered-in fleet consisting of one pushboat and three liquid barges of \$17,760 and \$7,510, respectively. The table below reflects the remaining future payments of these commitments.

	Drybulk Vessels	Navios Logistics
September 30, 2015	\$ 81,990	\$ 21,450
September 30, 2016	36,400	3,820
Total	\$ 118,390	\$ 25,270

NOTE 8: TRANSACTIONS WITH RELATED PARTIES

Office rent: The Company has entered into lease agreements with Goldland Ktimatiki-Ikodomiki-Touristiki Xenodohiaki Anonimos Eteria and Emerald Ktimatiki-Ikodomiki Touristiki Xenodohiaki Anonimos Eteria, both of which are Greek corporations that are currently majority-owned by Angeliki Frangou, Navios Holdings' Chairman and Chief Executive Officer. The lease agreements provide for the leasing of facilities located in Piraeus, Greece to house the operations of most of the Company's subsidiaries. The total annual lease payments are in the aggregate 943 (approximately \$1,278) and the lease agreements expire in 2017 and 2019. These payments are subject to annual

adjustments, which are based on the inflation rate prevailing in Greece as reported by the Greek State at the end of each year.

Purchase of services: The Company utilizes its affiliate company, Acropolis, as a broker. Commissions charged from Acropolis for the three month periods ended September 30, 2014 and 2013 were \$0 and \$1, respectively, and for the nine month periods ended September 30, 2014 and 2013 were \$0 and \$41, respectively. Included in the trade accounts payable at both September 30, 2014 and December 31, 2013 was an amount due to Acropolis of \$76.

Vessels charter hire: In February 2012, the Company chartered-in from Navios Partners the Navios Apollon, a 2000-built Ultra-Handymax vessel. The term of this charter was approximately two years at a net daily rate of \$12.5 for the first year and \$13.5 for the second year, plus 50/50 profit sharing based on actual earnings. In January 2014, the Company extended this charter for approximately six months at a net daily rate of \$13.5 plus 50/50 profit sharing based on actual earnings and in October 2014, the Company further extended this charter for approximately one year at a net daily rate of \$12.5 plus 50/50 profit sharing based on actual earnings.

In May 2012, the Company chartered-in from Navios Partners the Navios Prosperity, a 2007-built Panamax vessel. The term of this charter was approximately one year with two six-month extension options granted to the Company at a net daily rate of \$12.0 plus profit sharing. In April 2014, the Company extended this charter for approximately one year and the owners will receive 100% of the first \$1.5 in profits above the base rate, and thereafter all profits will be split 50/50 to each party.

In September 2012, the Company chartered-in from Navios Partners the Navios Libra, a 1995-built Panamax vessel. The term of this charter is approximately three years at a net daily rate of \$12.0 plus 50/50 profit sharing based on actual earnings.

In May 2013, the Company chartered-in from Navios Partners the Navios Felicity, a 1997-built Panamax vessel. The term of this charter is approximately one year with two six-month extension options granted to the Company, at a net daily rate of \$12.0 plus profit sharing. The owners will receive 100% of the first \$1.5 in profits above the base rate, and thereafter all profits will be split 50/50 to each party. In February 2014, the Company exercised its first option to extend this charter, and in August 2014, the Company exercised its second option.

In May 2013, the Company chartered-in from Navios Partners the Navios Aldebaran, a 2008-built Panamax vessel, for six months with a six-month extension option. In December 2013, the Company exercised its option to extend this charter, at a net daily rate of \$11.0 plus profit sharing. The owners will receive 100% of the first \$2.5 in profits above the base rate, and thereafter all profits will be split 50/50 to each party. In July 2014, the Company further extended this charter for approximately six to nine months.

In July 2013, the Company chartered-in from Navios Partners the Navios Hope, a 2005-built Panamax vessel. The term of this charter is approximately one year at a net daily rate of \$10.0. In December 2013, the Company extended this charter for approximately another six months at a net daily rate of \$10.0 plus 50/50 profit sharing based on actual earnings.

In July 2013, the Company chartered-in from Navios Partners the Navios Melodia, a 2010-built Capesize vessel for a net daily rate of \$15.0. The charter-in contract was completed in October 2013.

In July 2013, the Company chartered-in from Navios Partners the Navios Pollux, a 2009-built Capesize vessel, under a voyage charter which was completed in August 2013. In August 2014, the Company chartered-in the Navios Pollux, for approximately three months at a net daily rate of \$21.3.

Total charter hire expense for all vessels for the three month periods ended September 30, 2014 and 2013 were \$7,777 and \$9,081, respectively, and for the nine month periods ended September 30, 2014 and 2013 were \$20,538 and \$16,778, respectively, and were included in the statement of comprehensive loss under Time charter, voyage and logistics business expenses .

Table of Contents

NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

Management fees: Navios Holdings provides commercial and technical management services to Navios Partners vessels for a daily fixed fee of: (i) \$4.0 daily rate per Ultra-Handymax vessel; (ii) \$4.1 daily rate per Panamax vessel; (iii) \$5.1 daily rate per Capesize vessel; (iv) \$6.5 daily rate per container vessel of TEU 6,800 effective from January 1, 2014 through December 31, 2015; and (v) \$7.2 daily rate per container vessel of more than TEU 8,000 effective from delivery through December 31, 2015. Drydocking expenses under this agreement will be reimbursed by Navios Partners at cost at occurrence. Total management fees for the three month periods ended September 30, 2014 and 2013 amounted to \$12,611 and \$8,788, respectively, and for the nine month periods ended September 30, 2014 and 2013 amounted to \$36,855 and \$25,865, respectively.

Navios Holdings provides commercial and technical management services to Navios Acquisition's vessels for a daily fee of \$6.0 per owned MR2 product tanker and chemical tanker vessel, \$7.0 per owned LR1 product tanker vessel and \$10.0 per owned VLCC vessel fixed until May 2014. This daily fee covers all of the vessels' operating expenses, other than certain fees and costs. Actual operating costs and expenses will be determined in a manner consistent with how the initial fixed fees were determined. Drydocking expenses until May 2014 were fixed under this agreement for up to \$300 per LR1 and MR2 product tanker vessel and will be reimbursed at cost for VLCC vessels. In May 2014, Navios Holdings extended the duration of its existing management agreement with Navios Acquisition until May 2020 and fixed the fees for ship management services of Navios Acquisition owned fleet for two additional years through May 2016 at current rates for product tanker and chemical tanker vessels, and reduced the daily rate to \$9.5 per VLCC vessel. Drydocking expenses under this agreement will be reimbursed at cost at occurrence for all vessels.

Effective March 30, 2012, Navios Acquisition can, upon request to Navios Holdings, partially or fully defer the reimbursement of drydocking and other extraordinary fees and expenses under the management agreement to a later date, but not later than January 5, 2016, and if reimbursed on a later date, such amounts will bear interest at a rate of 1% per annum over LIBOR. Commencing September 28, 2012, Navios Acquisition can, upon request, reimburse Navios Holdings partially or fully for any fixed management fees outstanding for a period of not more than nine months under the management agreement at a later date, but not later than January 5, 2016, and if reimbursed on a later date, such amounts will bear interest at a rate of 1% per annum over LIBOR. Total management fees for the three month periods ended September 30, 2014 and 2013 amounted to \$25,136 and \$19,408, respectively, and for the nine month periods ended September 30, 2014 and 2013 amounted to \$71,223 and \$49,332, respectively.

Pursuant to a management agreement dated December 13, 2013, Navios Holdings provides commercial and technical management services to Navios Europe's tanker and container vessels. The term of this agreement is for a period of six years. Management fees under this agreement will be reimbursed at cost at occurrence. Total management fees for the three month periods ended September 30, 2014 and 2013 amounted to \$5,582 and \$0, respectively, and for the nine month periods ended September 30, 2014 and 2013 amounted to \$14,882 and \$0, respectively.

Navios Partners Guarantee: In November 2012 (as amended to update for charters in March 2014), the Company entered into an agreement with Navios Partners that provided Navios Partners with guarantees against counterparty

default on certain existing charters (the Navios Partners Guarantee). The Navios Partners Guarantee provided Navios Partners with guarantees against counterparty default on certain existing charters, which had previously been covered by the charter insurance for the same vessels, same periods and same amounts. The Navios Partners Guarantee provides for a maximum possible payout of \$20,000 by the Company to Navios Partners. Premiums that are calculated on the same basis as the restructured charter insurance are included in the management fee that is paid by Navios Partners to Navios Holdings pursuant to the management agreement. As of September 30, 2014, no claims had been submitted to Navios Holdings.

General and administrative expenses: Navios Holdings provides administrative services to Navios Partners. Such services include: bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations and other general and administrative services. Navios Holdings is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Total general and administrative fees charged for the three month periods ended September 30, 2014 and 2013 amounted to \$1,518 and \$1,060, respectively, and for the nine month periods ended September 30, 2014 and 2013 amounted to \$4,504 and \$3,160, respectively.

On May 28, 2010, Navios Holdings entered into an administrative services agreement with Navios Acquisition, pursuant to which Navios Holdings provides office space and certain administrative management services to Navios Acquisition which include: bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations and other general and administrative services. In May 2014, Navios Holdings extended the duration of its existing administrative services agreement with Navios Acquisition, until May 2020 pursuant to its existing terms. Navios Holdings is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Total general and administrative fees charged for the three month periods ended September 30, 2014 and 2013 amounted to \$1,911 and \$954, respectively, and for the nine month periods ended September 30, 2014 and 2013 amounted to \$5,409 and \$2,368, respectively.

On April 12, 2011, Navios Holdings entered into an administrative services agreement with Navios Logistics for a term of five years, pursuant to which Navios Holdings will provide certain administrative management services to Navios Logistics. Such services include bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations and other services. Navios Holdings is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Total general and administrative fees charged for both the three month periods ended September 30, 2014 and 2013 amounted to \$190, and for the nine month periods ended September 30, 2014 and 2013 amounted to \$570 and \$550, respectively. The general and administrative fees have been eliminated upon consolidation.

Pursuant to a management agreement dated December 13, 2013, Navios Holdings provides administrative services to Navios Europe's tanker and container vessels. Such services include: bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations and other services. The term of this agreement is for a period of six years. Navios Holdings is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Total general and administrative fees charged for the three month periods ended September 30, 2014 and 2013 amounted to \$202 and \$0, respectively, and for the nine month periods ended September 30, 2014 and 2013 amounted to \$598 and \$0, respectively.

Balance due from affiliates (excluding Navios Europe): Balance due from affiliates as of September 30, 2014 amounted to \$33,465 (December 31, 2013: \$12,064) which included the current amounts due from Navios Partners and Navios Acquisition, which were \$6,151 (December 31, 2013: \$390) and \$9,569 (December 31, 2013: \$6,530), respectively, and the non-current amount of \$17,745 (December 31, 2013: \$5,144) due from Navios Acquisition. The balances mainly consisted of management fees, administrative fees, drydocking and other expenses and amounts payable.

Omnibus agreements: Navios Holdings has entered into an omnibus agreement with Navios Partners (the Partners Omnibus Agreement) in connection with the closing of Navios Partners' IPO governing, among other things, when Navios Holdings and Navios Partners may compete against each other as well as rights of first offer on certain drybulk carriers. Pursuant to the Partners Omnibus Agreement, Navios Partners generally agreed not to acquire or own Panamax or Capesize drybulk carriers under time charters of three or more years without the consent of an independent committee of Navios Partners. In addition, Navios Holdings has agreed to offer to Navios Partners the opportunity to purchase vessels from Navios Holdings when such vessels are fixed under time charters of three or more years.

Navios Holdings entered into an omnibus agreement with Navios Acquisition and Navios Partners (the Acquisition Omnibus Agreement) in connection with the closing of Navios Acquisition's initial vessel acquisition, pursuant to which, among other things, Navios Holdings and Navios Partners agreed not to acquire,

Table of Contents

NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

charter-in or own liquid shipment vessels, except for container vessels and vessels that are primarily employed in operations in South America, without the consent of an independent committee of Navios Acquisition. In addition, Navios Acquisition, under the Acquisition Omnibus Agreement, agreed to cause its subsidiaries not to acquire, own, operate or charter drybulk carriers subject to specific exceptions. Under the Acquisition Omnibus Agreement, Navios Acquisition and its subsidiaries granted to Navios Holdings and Navios Partners, a right of first offer on any proposed sale, transfer or other disposition of any of its drybulk carriers and related charters owned or acquired by Navios Acquisition. Likewise, Navios Holdings and Navios Partners agreed to grant a similar right of first offer to Navios Acquisition for any liquid shipment vessels it might own. These rights of first offer will not apply to a (i) sale, transfer or other disposition of vessels between any affiliated subsidiaries, or pursuant to the terms of any charter or other agreement with a counterparty, or (ii) merger with or into, or sale of substantially all of the assets to, an unaffiliated third party.

Sale of Vessels and Sale of Rights to Navios Partners: Upon the sale of vessels to Navios Partners, Navios Holdings recognizes the gain immediately in earnings only to the extent of the interest in Navios Partners owned by third parties and defers recognition of the gain to the extent of its own ownership interest in Navios Partners (the deferred gain). Subsequently, the deferred gain is amortized to income over the remaining useful life of the vessel. The recognition of the deferred gain is accelerated in the event that (i) the vessel is subsequently sold or otherwise disposed of by Navios Partners or (ii) the Company's ownership interest in Navios Partners is reduced. In connection with the public offerings of common units by Navios Partners, a pro rata portion of the deferred gain is released to income upon dilution of the Company's ownership interest in Navios Partners. As of September 30, 2014 and December 31, 2013, the unamortized deferred gain for all vessels and rights sold totaled \$17,035 and \$21,578, respectively. For the three month periods ended September 30, 2014 and 2013, Navios Holdings recognized \$735 and \$2,302, respectively, of the deferred gain in Equity in net earnings of affiliated companies and for the nine months ended September 30, 2014 and 2013, Navios Holdings recognized \$4,543 and \$6,373 of the deferred gain, respectively, in Equity in net earnings of affiliated companies.

The Navios Holdings Credit Facility: Navios Acquisition entered into a \$40,000 credit facility with Navios Holdings in 2010 which was amended in 2010 and 2011. The facility is available for multiple drawings up to a limit of \$40,000, has a margin of LIBOR plus 300 basis points and matures in December 2014. As of September 30, 2014, the outstanding amount under this facility was \$0 (December 31, 2013: \$0).

Balance due from Navios Europe: Balance due from Navios Europe as of September 30, 2014 amounted to \$5,843 (December 31, 2013: \$1,407) which included the current amounts of \$5,347 (December 31, 2013: \$1,407) mainly consisting of management fees, accrued interest income earned under the Navios Revolving Loans (as defined herein) and other expenses and the non-current amount of \$496 (December 31, 2013: \$0) related to the accrued interest income earned under the Navios Term Loans (as defined in Note 13).

Navios Holdings, Navios Acquisition and Navios Partners will make available to Navios Europe (in each case, in proportion to their ownership interests in Navios Europe) revolving loans up to \$24,100 to fund working capital requirements (collectively, the Navios Revolving Loans).

The Navios Revolving Loans and the Navios Term Loans (as defined herein) earn interest and an annual preferred return, respectively, at 1,270 basis points compounded quarterly basis and are repaid from free cash flow (as defined in the loan agreement) to the fullest extent possible at the end of each quarter. There are no covenant requirements or stated maturity dates.

As of September 30, 2014, Navios Holdings' portion of the investment in Navios Europe is \$4,882 (December 31, 2013: \$4,750), under the caption Investment in affiliates and the outstanding amount relating to the Navios Revolving Loans is \$5,871 (December 31, 2013: \$2,660), under the caption Loan receivable from affiliate companies. As of September 30, 2014, the amount undrawn from the revolving facilities was \$11,740, of which Navios Holdings is committed to fund \$5,577.

NOTE 9: PREFERRED AND COMMON STOCK

Issuances to Employees and Exercise of Options

During the nine month periods ended September 30, 2014 and 2013, pursuant to the stock plan approved by the Board of Directors, 143,189 and 131,335 shares were issued following the exercise of options for a total of \$643 and \$434, respectively.

Vested, Surrendered and Forfeited

During the nine month periods ended September 30, 2014 and 2013, 25,120 and 0 restricted stock units, respectively, issued to the Company's employees vested.

During the nine month periods ended September 30, 2014 and 2013, 5,432 and 12,452 restricted shares of common stock, respectively, were forfeited upon termination of employment.

Issuance of Preferred Stock

On January 28, 2014, the Company completed the sale of 2,000,000 American Depositary Shares, each of which represents 1/100th of a share of the Company's Series G Cumulative Redeemable Perpetual Preferred Stock (the Series G), with a liquidation preference of \$2,500.00 per share (\$25.00 per American Depositary Share). Dividends are payable quarterly in arrears on the Series G at a rate of 8.75% per annum of the stated liquidation preference. The net proceeds of \$47,847 from the offering (after deducting underwriting discounts and offering expenses) will be used for general corporate purposes, including acquisition of vessels. At any time on or after January 28, 2019, the Series G may be redeemed (and the American Depositary Shares can be caused to be redeemed), in whole or in part, out of amounts legally available therefor, at a redemption price of \$2,500.00 per share (equivalent to \$25.00 per American Depositary Share) plus an amount equal to all accumulated and unpaid dividends thereon to the date of redemption, whether or not declared. The Series G are recorded at fair market value on issuance.

On July 8, 2014, the Company completed the sale of 4,800,000 American Depositary Shares, each of which represents 1/100th of a share of the Company's Series H Cumulative Redeemable Perpetual Preferred Stock (the Series H), with a liquidation preference of \$2,500.00 per share, (\$25.00 per American Depositary Share). Dividends are payable quarterly in arrears on the Series H at a rate of 8.625% per annum of the stated liquidation preference. The net proceeds of \$116,082 from the offering (after deducting underwriting discounts and offering expenses) will be used for general corporate purposes, including acquisition of vessels. At any time on or after July 8, 2019, the Series H may be redeemed (and the American Depositary Shares can be caused to be redeemed), in whole or in part, out of amounts legally available therefor, at a redemption price of \$2,500.00 per share (equivalent to \$25.00 per American Depositary Share) plus an amount equal to all accumulated and unpaid dividends thereon to the date of redemption, whether or not declared. The Series H are recorded at fair market value on issuance.

Table of Contents

NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

Conversion of Preferred Stock

During the nine month period ended September 30, 2014, 1,410 shares of convertible preferred stock were automatically converted into 1,410,000 shares of common stock. The shares of convertible preferred stock were converted pursuant to their original terms, which provided that five years after the issuance date of the convertible preferred stock, 30% of the then-outstanding shares of preferred stock shall automatically convert into shares of common stock at a conversion price equal to \$10.00 per common stock.

Navios Holdings had outstanding as of September 30, 2014 and December 31, 2013, 105,833,906 and 104,261,029 shares of common stock, respectively, and 75,069 (20,000 Series G, 48,000 Series H and 7,069 shares of convertible preferred stock) and 8,479 shares of convertible preferred stock, respectively.

NOTE 10: OTHER (EXPENSE)/INCOME, NET

In May 2014, Navios Holdings received cash compensation of \$7,203 from the sale of a defaulted counterparty claim to an unrelated third party. Navios Holdings has no continuing obligation to provide any further services to the counterparty or any further recourse or obligation to the third party to which it sold the claim and has therefore recognized the entire compensation received immediately in the statement of comprehensive loss within the caption of Other (expense)/income, net .

As of March 25, 2014, the Company terminated the amended credit default insurance policy. In connection with the termination, Navios Holdings received compensation of \$4,044. From the total compensation, \$3,551 was recorded immediately in the statement of income within the caption Other (expense)/income, net and the remaining amount within the caption Revenue , representing reimbursements for insurance claims submitted for the period prior to the date of the termination of the credit default insurance policy. The Company has no future requirement to repay any of the lump sum cash payment back to the insurance company or provide any further services.

NOTE 11: SEGMENT INFORMATION

The Company currently has two reportable segments from which it derives its revenues: Drybulk Vessel Operations and Logistics Business. The reportable segments reflect the internal organization of the Company and are strategic businesses that offer different products and services. The Drybulk Vessel Operations business consists of the transportation and handling of bulk cargoes through the ownership, operation, and trading of vessels, freight, and FFAs. The Logistics Business consists of operating ports and transfer station terminals, handling of vessels, barges and push boats as well as upriver transport facilities in the Hidrovia region.

The Company measures segment performance based on net income attributable to Navios Holdings common stockholders. Inter-segment sales and transfers are not significant and have been eliminated and are not included in the

following tables. Summarized financial information concerning each of the Company's reportable segments is as follows:

	Drybulk Vessel Operations		Logistics Business		Total	
	Three Month Period Ended September 30, 2014	Three Month Period Ended September 30, 2013	Three Month Period Ended September 30, 2014	Three Month Period Ended September 30, 2013	Three Month Period Ended September 30, 2014	Three Month Period Ended September 30, 2013
Revenue	\$ 73,456	\$ 72,465	\$ 79,136	\$ 49,819	\$ 152,592	\$ 122,284
Interest expense and finance cost, net	(21,104)	(20,875)	(6,836)	(6,540)	(27,940)	(27,415)
Depreciation and amortization	(20,145)	(18,663)	(6,653)	(5,747)	(26,798)	(24,410)
Equity in net earnings of affiliated companies	5,094	11,530			5,094	11,530
Net (loss)/income attributable to Navios Holdings common stockholders	(18,557)	(12,438)	1,962	(610)	(16,595)	(13,048)
Total assets	2,521,720	2,441,310	619,542	540,522	3,141,262	2,981,832
Capital expenditures	(156)	(68,187)	(39,796)	(28,306)	(39,952)	(96,493)
Goodwill	56,240	56,240	104,096	104,096	160,336	160,336
Investments in affiliates	333,384	353,014			333,384	353,014
Cash and cash equivalents	188,136	102,507	101,956	111,656	290,092	214,163
Restricted cash	1,880	5,685			1,880	5,685
Long-term debt (including current and non-current portion)	\$ 1,243,059	\$ 1,165,076	\$ 375,476	\$ 293,752	\$ 1,618,535	\$ 1,458,828

Table of Contents

NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

	Drybulk Vessel		Logistics Business		Total	
	Nine Month	Nine Month	Nine Month	Nine Month	Nine Month	Nine Month
	Period Ended	Period Ended	Period Ended	Period Ended	Period Ended	Period Ended
	September 30,	September 30,	September 30,	September 30,	September 30,	September 30,
	2014	2013	2014	2013	2014	2013
Revenue	\$ 225,489	\$ 195,177	\$ 194,702	\$ 186,516	\$ 420,191	\$ 381,693
Interest expense and finance cost, net	(63,508)	(61,567)	(20,999)	(18,578)	(84,507)	(80,145)
Depreciation and amortization	(59,599)	(55,347)	(18,701)	(17,619)	(78,300)	(72,966)
Equity in net earnings of affiliated companies	34,591	29,780			34,591	29,780
Net (loss)/income attributable to Navios Holdings common stockholders	(39,390)	(45,085)	(11,832)	6,001	(51,222)	(39,084)
Total assets	2,521,720	2,441,310	619,542	540,522	3,141,262	2,981,832
Capital expenditures	(72,169)	(68,622)	(78,536)	(46,090)	(150,705)	(114,712)
Goodwill	56,240	56,240	104,096	104,096	160,336	160,336
Investments in affiliates	333,384	353,014			333,384	353,014
Cash and cash equivalents	188,136	102,507	101,956	111,656	290,092	214,163
Restricted cash	1,880	5,685			1,880	5,685
Long-term debt (including current and non-current portion)	\$ 1,243,059	\$ 1,165,076	\$ 375,476	\$ 293,752	\$ 1,618,535	\$ 1,458,828

NOTE 12: LOSS PER COMMON SHARE

Loss per share is calculated by dividing net loss by the weighted average number of shares of Navios Holdings outstanding during the period.

For the three month period ended September 30, 2014, 3,386,376 potential common shares and 7,798,033 potential shares of convertible preferred stock have an anti-dilutive effect (i.e. those that increase income per share or decrease loss per share) and are therefore excluded from the calculation of diluted net loss per share.

For the three month period ended September 30, 2013, 2,919,959 potential common shares and 8,479,000 potential shares of convertible preferred stock have an anti-dilutive effect (i.e. those that increase income per share or decrease loss per share) and are therefore excluded from the calculation of diluted net loss per share.

For the nine month period ended September 30, 2014, 3,804,314 potential common shares and 8,247,462 potential shares of convertible preferred stock have an anti-dilutive effect (i.e. those that increase income per share or decrease loss per share) and are therefore excluded from the calculation of diluted net loss per share.

loss per share) and are therefore excluded from the calculation of diluted net loss per share.

For the nine month period ended September 30, 2013, 2,360,050 potential common shares and 8,479,000 potential shares of convertible preferred stock have an anti-dilutive effect (i.e. those that increase income per share or decrease loss per share) and are therefore excluded from the calculation of diluted net loss per share.

	Three Month Period Ended September 30, 2014	Three Month Period Ended September 30, 2013	Nine Month Period Ended September 30, 2014	Nine Month Period Ended September 30, 2013
Numerator:				
Net loss attributable to Navios Holdings common stockholders	\$ (16,595)	\$ (13,048)	\$ (51,222)	\$ (39,084)
Less:				
Dividend on Preferred Stock and on unvested restricted shares	(3,911)	(427)	(6,711)	(1,268)
Loss available to Navios Holdings common stockholders, basic	\$ (20,506)	\$ (13,475)	\$ (57,933)	\$ (40,352)
Loss available to Navios Holdings common stockholders, diluted	\$ (20,506)	\$ (13,475)	\$ (57,933)	\$ (40,352)
Denominator:				
Denominator for basic net loss per share attributable to Navios Holdings common stockholders weighted average shares	103,798,829	101,861,079	103,082,480	101,801,655
Denominator for diluted net loss per share attributable to Navios Holdings common stockholders weighted average shares	103,798,829	101,861,079	103,082,480	101,801,655
Basic net losses per share attributable to Navios Holdings common stockholders	\$ (0.20)	\$ (0.13)	\$ (0.56)	\$ (0.40)
Diluted net losses per share attributable to Navios Holdings common stockholders	\$ (0.20)	\$ (0.13)	\$ (0.56)	\$ (0.40)

NOTE 13: INVESTMENT IN AFFILIATES AND AVAILABLE-FOR-SALE SECURITIES**Navios Partners**

On August 7, 2007, Navios Holdings formed Navios Partners under the laws of Marshall Islands. Navios GP L.L.C. (the General Partner), a wholly owned subsidiary of Navios Holdings, was also formed on that date to act as the general partner of Navios Partners and received a 2.0% general partner interest.

Table of Contents

NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

In February 2014, Navios Partners completed a public offering of 6,325,000 common units, including the full exercise of the underwriters' overallotment option, at \$17.30 per unit and raised net proceeds of approximately \$106,732. Navios Holdings paid \$2,233 in order to retain its 2.0% general partner interest. Following this offering, Navios Holdings' interest in Navios Partners decreased to 20.0% (which includes a 2.0% general partner interest). The Company determined, under the equity method, that the issuance of shares qualified as sales of shares by the investee. As a result, \$0 and a gain of \$8,027 were recognized in Equity in net earnings of affiliated companies for the three month periods ended September 30, 2014 and 2013, respectively, and gains of \$11,230 and \$15,991 for the nine month periods ended September 30, 2014 and 2013, respectively.

As of September 30, 2014, Navios Holdings holds a total of 14,223,763 common units, representing an 18.0% common interest in Navios Partners and the entire investment in Navios Partners is accounted for under the equity method.

As of September 30, 2014 and December 31, 2013, the unamortized difference between the carrying amount of the investment in Navios Partners and the amount of the Company's underlying equity in net assets of Navios Partners was \$36,364 and \$42,412, respectively. This difference is amortized through Equity in net earnings of affiliated companies over the remaining life of Navios Partners tangible and intangible assets.

Total equity method income and amortization of deferred gain of \$4,399 and \$14,421 were recognized in Equity in net earnings of affiliated companies for the three month periods ended September 30, 2014 and 2013, respectively, and equity method income and amortization of deferred gain of total \$32,474 and \$35,959 for the nine month periods ended September 30, 2014 and 2013, respectively.

As of September 30, 2014 and December 31, 2013, the carrying amount of the investment in Navios Partners was \$118,173 and \$110,516, respectively.

Dividends received during the three month periods ended September 30, 2014 and 2013 were \$7,536 and \$7,342, respectively, and for the nine month periods ended September 30, 2014 and 2013 were \$22,507 and \$22,027, respectively.

Acropolis

Navios Holdings has a 50% interest in Acropolis, a brokerage firm for freight and shipping charters. Although Navios Holdings owns 50% of Acropolis' stock, Navios Holdings agreed with the other shareholder that the earnings and amounts declared by way of dividends will be allocated 35% to the Company with the balance to the other shareholder. As of September 30, 2014 and December 31, 2013, the carrying amount of the investment was \$579 and \$350, respectively. During the three month periods ended September 30, 2014 and 2013, the Company did not receive any dividends and for the nine month periods ended September 30, 2014 and 2013, dividends received were \$271 and

\$0, respectively.

Navios Acquisition

In February 2014, Navios Acquisition completed a public offering of 14,950,000 shares of its common stock, at a price of \$3.85 per share, raising gross proceeds of \$57,556. Following this offering and as of September 30, 2014, Navios Holdings has a 43.1% voting and a 46.4% economic interest in Navios Acquisition. The Company determined, under the equity method, that the issuance of shares qualified as a sale of shares by the investee. As a result, \$0 and a loss of \$1,121 were recognized in Equity in net earnings of affiliated companies for the three month periods ended September 30, 2014 and 2013, respectively, and income of \$6,193 and a loss of \$6,171 for the nine month periods ended September 30, 2014 and 2013, respectively.

As of September 30, 2014 and December 31, 2013, the unamortized difference between the carrying amount of the investment in Navios Acquisition and the amount of the Company's underlying equity in net assets of Navios Acquisition was \$8,321 and \$12,052, respectively. This difference is amortized through Equity in net earnings of affiliated companies over the remaining life of Navios Acquisition tangible and intangible assets.

Total equity method income of \$390 and loss of \$3,015 were recognized in Equity in net earnings of affiliated companies for the three month periods ended September 30, 2014 and 2013, respectively, and equity method income of \$1,009 and loss of \$6,483 for the nine month periods ended September 30, 2014 and 2013, respectively.

As of September 30, 2014 and December 31, 2013, the carrying amount of the investment in Navios Acquisition was \$209,727 and \$219,664, respectively.

Dividends received during the three month periods ended September 30, 2014 and 2013 were \$3,649 and \$3,000, respectively, and for the nine month periods ended September 30, 2014 and 2013 were \$10,947 and \$6,477, respectively.

Navios Europe

On December 18, 2013, Navios Europe acquired ten vessels for aggregate consideration consisting of (i) cash consideration of \$127,753 (which was funded with the proceeds of \$117,753 senior loan facilities (the Senior Loans) and loans aggregating to \$10,000 from Navios Holdings, Navios Acquisition and Navios Partners (in each case, in proportion to their ownership interests in Navios Europe) (collectively, the Navios Term Loans) and (ii) the assumption of a junior participating loan facility (the Junior Loan) with a face amount of \$173,367 and fair value of \$71,929 as of December 31, 2013. In addition to the Navios Term Loans, Navios Holdings, Navios Acquisition and Navios Partners will also make available to Navios Europe (in each case, in proportion to their ownership interests in Navios Europe) the Navios Revolving Loans up to \$24,100 to fund working capital requirements.

On an ongoing basis, Navios Europe is required to distribute cash flows (after payment of operating expenses and amounts due pursuant to the terms of the Senior Loans) according to a defined waterfall calculation.

The Navios Term Loans will be repaid from the future sale of vessels owned by Navios Europe and is deemed to be the initial investment by Navios Holdings. Navios Holdings evaluated its investment in Navios Europe under ASC 810 and concluded that Navios Europe is a variable interest entity and that they are not the party most closely associated with Navios Europe and, accordingly, is not the primary beneficiary of Navios Europe.

Navios Holdings further evaluated its investment in the common stock of Navios Europe under ASC 323 and concluded that it has the ability to exercise significant influence over the operating and financial policies of Navios Europe and, therefore, its investment in Navios Europe is accounted for under the equity method.

As of September 30, 2014, the estimated maximum potential loss by Navios Holdings in Navios Europe would have been \$11,725 which represents the Company's carrying value of the investment of \$5,379, including accrued interest, plus the Company's balance of the Navios Revolving Loans of \$6,346, including accrued interest, and does not include the undrawn portion of the Navios Revolving Loans.

Table of Contents

NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

Income of \$145 and \$0 was recognized in Equity in net earnings of affiliated companies for the three month periods ended September 30, 2014 and 2013, respectively, and income of \$607 and \$0 for the nine month periods ended September 30, 2014 and 2013, respectively.

As of September 30, 2014 and December 31, 2013, the carrying amount of the investment in Navios Europe was \$4,882 and \$4,750, respectively.

Summarized financial information of the affiliated companies is presented below:

	September 30, 2014			December 31, 2013		
	Navios Partners	Navios Acquisition	Navios Europe	Navios Partners	Navios Acquisition	Navios Europe
Balance Sheet						
Current assets	\$ 150,046	\$ 96,231	\$ 14,134	\$ 54,484	\$ 120,801	\$ 8,224
Non-current assets	1,193,186	1,739,086	193,801	1,195,595	1,535,860	199,761
Current liabilities	27,747	94,027	18,777	15,606	65,400	14,792
Non-current liabilities	544,379	1,258,211	202,262	527,966	1,128,439	194,288

	Three Month Period Ended September 30, 2014			Three Month Period Ended September 30, 2013		
	Navios Partners	Navios Acquisition	Navios Europe	Navios Partners	Navios Acquisition	Navios Europe
Income Statement						
Revenue	\$ 55,290	\$ 69,309	\$ 8,416	\$ 46,578	\$ 53,372	\$
Net income/(loss)	13,042	1,659	(6,946)	13,123	(4,114)	

	Nine Month Period Ended September 30, 2014			Nine Month Period Ended September 30, 2013		
	Navios Partners	Navios Acquisition	Navios Europe	Navios Partners	Navios Acquisition	Navios Europe
Income Statement						
Revenue	\$ 167,966	\$ 192,520	\$ 25,525	\$ 146,013	\$ 144,601	\$
Net income/(loss)	61,388	(13,963)	(12,009)	48,880	(4,915)	

Investments in available-for-sale securities

During the year ended December 2013, the Company received shares of Korea Line Corporation (KLC) as partial compensation for the claims filed under the Korean court for all unpaid amounts by KLC in respect of the employment of the vessels. The shares were valued at fair value upon the day of issuance. As of both September 30, 2014 and December 31, 2013, the Company retained a total of 314,077 KLC shares.

The shares received from KLC were accounted for under the guidance for available-for-sale securities (the AFS Securities). Accordingly, unrealized gains and losses on these securities are reflected directly in equity unless an unrealized loss is considered other-than-temporary , in which case it is transferred to statements of comprehensive income. The Company has no other types of available-for-sale securities.

As of September 30, 2014 and December 31, 2013, the carrying amount of the available-for-sale securities related to KLC was \$7,397 and \$7,660, respectively. As of September 30, 2014 and 2013, the unrealized holding gains/(losses) related to these AFS Securities included in Accumulated Other Comprehensive Income/(Loss) were \$117 and \$(6,568), respectively. As of June 30, 2014, the Company considered the decline in fair value of the KLC shares as other-than-temporary and therefore, recognized a loss out of accumulated other comprehensive loss of \$11,553. The respective loss was included in other (expense)/income, net in the accompanying consolidated statement of comprehensive loss. During the three month periods ended September 30, 2014 and 2013, the Company did not recognize in earnings any realized income/(loss).

NOTE 14: OTHER FINANCIAL INFORMATION

The Company's 2019 Notes, issued on January 28, 2011, are fully and unconditionally guaranteed on a joint and several basis by all of the Company's subsidiaries with the exception of Navios Maritime Finance II (US) Inc., Navios Maritime Finance (US) Inc., Navios Logistics and its subsidiaries and Navios GP L.L.C. The subsidiary guarantees are full and unconditional, except that the indenture provides for an individual subsidiary's guarantee to be automatically released in certain customary circumstances, such as when a subsidiary is sold or all of the assets of the subsidiary are sold, the capital stock is sold, when the subsidiary is designated as an unrestricted subsidiary for purposes of the indenture, upon liquidation or dissolution of the subsidiary or upon legal or covenant defeasance or satisfaction and discharge of the notes. All subsidiaries, except for the non-guarantor Navios Logistics and its subsidiaries, are 100% owned.

The Company revised the classification of certain amounts in its condensed statements of cash flows, See Note 2(a) Basis of Presentation for a discussion of amounts reclassified.

In May 2014, Navios Holdings became the sole shareholder of Navios Asia by acquiring the remaining 49.0% noncontrolling interest. From that point onwards, Navios Asia and its subsidiaries became guarantors under the 2019 Notes and the following footnote has been adjusted to reflect Navios Asia and its subsidiaries as guarantors.

These condensed consolidated statements of Navios Holdings, the guarantor subsidiaries and the non-guarantor subsidiaries have been prepared in accordance on an equity basis as permitted by U.S. GAAP.

Table of Contents

NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

	Navios Maritime Holdings Inc. Issuer	Guarantor Subsidiaries	Non Guarantor Subsidiaries	Eliminations	Total
Statement of comprehensive (loss)/income for the three months ended September 30, 2014					
Revenue	\$	\$ 73,456	\$ 79,136	\$	\$ 152,592
Time charter, voyage and logistics business expenses		(39,056)	(33,450)		(72,506)
Direct vessel expenses		(13,033)	(22,752)		(35,785)
General and administrative expenses	(1,399)	(2,607)	(3,778)		(7,784)
Depreciation and amortization	(708)	(19,437)	(6,653)		(26,798)
Interest expense and finance cost, net	(19,446)	(1,657)	(6,837)		(27,940)
Other income/(expense), net	28	302	(2,722)		(2,392)
(Loss)/income before equity in net earnings of affiliated companies	(21,525)	(2,032)	2,944		(20,613)
Income from subsidiaries	1,669	1,962		(3,631)	
Equity in net earnings of affiliated companies	3,261	1,040	793		5,094
(Loss)/income before taxes	(16,595)	970	3,737	(3,631)	(15,519)
Income tax (expense)/benefit		(94)	129		35
Net (loss)/income	(16,595)	876	3,866	(3,631)	(15,484)
Less: Net income attributable to the noncontrolling interest			(1,111)		(1,111)
Net (loss)/income attributable to Navios Holdings common stockholders	\$ (16,595)	\$ 876	\$ 2,755	\$ (3,631)	\$ (16,595)
Other Comprehensive income					
Unrealized holding income on investments in available-for-sale securities	\$ 117	\$ 117	\$	\$ (117)	\$ 117
Reclassification to earnings					

Total other comprehensive income	\$	117	\$	117	\$		\$	(117)	\$	117
Total comprehensive (loss)/income	\$	(16,478)	\$	993	\$	3,866	\$	(3,748)	\$	(15,367)
Comprehensive income attributable to noncontrolling interest						(1,111)				(1,111)
Total comprehensive (loss)/income attributable to Navios Holdings common stockholders	\$	(16,478)	\$	993	\$	2,755	\$	(3,748)	\$	(16,478)

Table of Contents

NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

	Navios Maritime Holdings Inc. Issuer	Guarantor Subsidiaries	Non Guarantor Subsidiaries	Eliminations	Total
Statement of comprehensive (loss)/income for the three months ended September 30, 2013					
Revenue	\$	\$ 72,466	\$ 49,818	\$	\$ 122,284
Time charter, voyage and logistics business expenses		(43,082)	(12,373)		(55,455)
Direct vessel expenses		(9,183)	(22,209)		(31,392)
General and administrative expenses	(1,344)	(4,125)	(3,668)		(9,137)
Depreciation and amortization	(708)	(17,956)	(5,746)		(24,410)
Interest expense and finance cost, net	(19,023)	(1,852)	(6,540)		(27,415)
Other (expense)/income, net	(11)	925	(1,720)		(806)
Loss before equity in net earnings of affiliated companies	(21,086)	(2,807)	(2,438)		(26,331)
Income from subsidiaries	(316)	(609)		925	
Equity in net earnings of affiliated companies	8,354	2,424	752		11,530
Loss before taxes	(13,048)	(992)	(1,686)	925	(14,801)
Income tax (expense)/benefit		(76)	1,483		1,407
Net loss	(13,048)	(1,068)	(203)	925	(13,394)
Less: Net loss attributable to the noncontrolling interest			346		346
Net (loss)/income attributable to Navios Holdings common stockholders	\$ (13,048)	\$ (1,068)	\$ 143	\$ 925	\$ (13,048)
Other Comprehensive loss					
Unrealized holding loss on investments in available-for-sale securities	\$ (5,210)	\$ (5,210)	\$	\$ 5,210	\$ (5,210)
Total other comprehensive loss	\$ (5,210)	\$ (5,210)	\$	\$ 5,210	\$ (5,210)

Total comprehensive (loss)/income	\$ (18,258)	\$ (6,278)	\$ (203)	\$ 6,135	\$ (18,604)
Comprehensive loss attributable to noncontrolling interest			346		346
Total comprehensive (loss)/income attributable to Navios Holdings common stockholders	\$ (18,258)	\$ (6,278)	\$ 143	\$ 6,135	\$ (18,258)

F-21

Table of Contents

NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

	Navios Maritime Holdings Inc. Issuer	Guarantor Subsidiaries	Non Guarantor Subsidiaries	Eliminations	Total
Statement of comprehensive loss for the nine months ended September 30, 2014					
Revenue	\$	\$ 225,489	\$ 194,702	\$	\$ 420,191
Time charter, voyage and logistics business expenses		(116,524)	(70,674)		(187,198)
Direct vessel expenses		(39,565)	(58,388)		(97,953)
General and administrative expenses	(5,136)	(12,709)	(10,537)		(28,382)
Depreciation and amortization	(2,102)	(57,497)	(18,701)		(78,300)
Interest expense and finance cost, net	(58,782)	(4,726)	(20,999)		(84,507)
Loss on bond extinguishment			(27,281)		(27,281)
Other income/(expense), net	15	(1,990)	(5,832)		(7,807)
Loss before equity in net earnings of affiliated companies	(66,005)	(7,522)	(17,710)		(91,237)
Loss from subsidiaries	(11,332)	(11,832)		23,164	
Equity in net earnings of affiliated companies	26,115	5,651	2,825		34,591
Loss before taxes	(51,222)	(13,703)	(14,885)	23,164	(56,646)
Income tax expense		(272)	(829)		(1,101)
Net loss	(51,222)	(13,975)	(15,714)	23,164	(57,747)
Less: Net (income)/loss attributable to the noncontrolling interest		(182)	6,707		6,525
Net loss attributable to Navios Holdings common stockholders	\$ (51,222)	\$ (14,157)	\$ (9,007)	\$ 23,164	\$ (51,222)
Other Comprehensive loss					
Unrealized holding loss on investments in available-for-sale securities	\$ (264)	\$ (264)	\$	\$ 264	\$ (264)
Reclassification to earnings	11,553	11,553		(11,553)	11,553

Total other comprehensive income	\$ 11,289	\$ 11,289	\$	\$ (11,289)	\$ 11,289
Total comprehensive loss	\$ (39,933)	\$ (2,686)	\$ (15,714)	\$ 11,875	\$ (46,458)
Comprehensive (income)/loss attributable to noncontrolling interest		(182)	6,707		6,525
Total comprehensive loss attributable to Navios Holdings common stockholders	\$ (39,933)	\$ (2,868)	\$ (9,007)	\$ 11,875	\$ (39,933)

F-22

Table of Contents

NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

	Navios Maritime Holdings Inc. Issuer	Guarantor Subsidiaries	Non Guarantor Subsidiaries	Eliminations	Total
Statement of comprehensive (loss)/income for the nine months ended September 30, 2013					
Revenue	\$	\$ 195,177	\$ 186,516	\$	\$ 381,693
Time charter, voyage and logistics business expenses		(119,186)	(71,909)		(191,095)
Direct vessel expenses		(28,288)	(57,243)		(85,531)
General and administrative expenses	(4,234)	(13,459)	(10,279)		(27,972)
Depreciation and amortization	(2,102)	(53,245)	(17,619)		(72,966)
Interest expense and finance cost, net	(56,426)	(5,141)	(18,578)		(80,145)
Gain on sale of assets			18		18
Other income/(expense), net	20	12,235	(6,587)		5,668
(Loss)/income before equity in net earnings of affiliated companies	(62,742)	(11,907)	4,319		(70,330)
Income from subsidiaries	2,919	6,002		(8,921)	
Equity in net earnings of affiliated companies	20,739	6,675	2,366		29,780
(Loss)/income before taxes	(39,084)	770	6,685	(8,921)	(40,550)
Income tax (expense)/benefit		(217)	5,196		4,979
Net (loss)/income	(39,084)	553	11,881	(8,921)	(35,571)
Less: Net income attributable to the noncontrolling interest			(3,513)		(3,513)
Net (loss)/income attributable to Navios Holdings common stockholders	\$ (39,084)	\$ 553	\$ 8,368	\$ (8,921)	\$ (39,084)
Other Comprehensive loss					
Unrealized holding loss on investments in available-for-sale securities	\$ (6,010)	\$ (6,010)	\$	\$ 6,010	\$ (6,010)

Total other comprehensive loss	\$ (6,010)	\$ (6,010)	\$	\$ 6,010	\$ (6,010)
Total comprehensive (loss)/income	\$ (45,094)	\$ (5,457)	\$ 11,881	\$ (2,911)	\$ (41,581)
Comprehensive income attributable to noncontrolling interest			(3,513)		(3,513)
Total comprehensive (loss)/income attributable to Navios Holdings common stockholders	\$ (45,094)	\$ (5,457)	\$ 8,368	\$ (2,911)	\$ (45,094)

F-23

Table of Contents

NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

Balance Sheet as of September 30, 2014	Navios Maritime Holdings Inc. Issuer	Guarantor Subsidiaries	Non Guarantor Subsidiaries	Eliminations	Total
Current assets					
Cash and cash equivalents	\$ 100,776	\$ 87,359	\$ 101,957	\$	\$ 290,092
Restricted cash		1,880			1,880
Accounts receivable, net		57,267	23,841		81,108
Intercompany receivables	24,536		71,305	(95,841)	
Due from affiliate companies	4,747	16,320			21,067
Prepaid expenses and other current assets	5	36,981	27,508		64,494
Total current assets	130,064	199,807	224,611	(95,841)	458,641
Vessels, port terminals and other fixed assets, net					
		1,433,583	462,884		1,896,467
Deposits for vessel acquisitions		17,623			17,623
Investments in subsidiaries	1,621,220	270,362		(1,891,582)	
Investments in available-for-sale securities		7,397			7,397
Investments in affiliates	319,567	602	13,215		333,384
Long-term receivable from affiliate companies		17,745			17,745
Loan receivable from affiliate companies		6,367			6,367
Other long-term assets	17,698	18,328	30,196		66,222
Goodwill and other intangibles	90,270	88,179	158,967		337,416
Total non-current assets	2,048,755	1,860,186	665,262	(1,891,582)	2,682,621
Total assets	\$ 2,178,819	\$ 2,059,993	\$ 889,873	\$ (1,987,423)	\$ 3,141,262

LIABILITIES AND STOCKHOLDERS**EQUITY****Current liabilities**

Accounts payable	\$ 403	\$ 32,353	\$ 41,997	\$	\$ 74,753
Accrued expenses and other liabilities	13,703	37,438	26,519		77,660
Deferred income and cash received in advance		6,422	5,250		11,672

Edgar Filing: Navios Maritime Holdings Inc. - Form 6-K

Intercompany payables		93,284	2,557	(95,841)	
Current portion of capital lease obligations			1,436		1,436
Current portion of long-term debt		22,192	69		22,261
Total current liabilities	14,106	191,689	77,828	(95,841)	187,782
Long-term debt, net of current portion	1,000,000	220,867	375,407		1,596,274
Capital lease obligations, net of current portion			21,282		21,282
Unfavorable lease terms		23,374			23,374
Other long-term liabilities and deferred income		14,953	5,026		19,979
Deferred tax liability			14,975		14,975
Total non-current liabilities	1,000,000	259,194	416,690		1,675,884
Total liabilities	1,014,106	450,883	494,518	(95,841)	1,863,666
Noncontrolling interest			112,883		112,883
Total Navios Holdings stockholders equity	1,164,713	1,609,110	282,472	(1,891,582)	1,164,713
Total liabilities and stockholders equity	\$ 2,178,819	\$ 2,059,993	\$ 889,873	\$ (1,987,423)	\$ 3,141,262

F-24

Table of Contents

NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

Balance Sheet as of December 31, 2013	Navios Maritime Holdings Inc. Issuer	Guarantor Subsidiaries	Non Guarantor Subsidiaries	Eliminations	Total
Current assets					
Cash and cash equivalents	\$ 33,769	\$ 67,492	\$ 86,570	\$	\$ 187,831
Restricted cash		2,041			2,041
Accounts receivable, net		64,716	21,503		86,219
Intercompany receivables		48,395	71,305	(119,700)	
Due from affiliate companies	4,861	3,467			8,328
Prepaid expenses and other current assets		37,874	17,693		55,567
Total current assets	38,630	223,985	197,071	(119,700)	339,986
Vessels, port terminal and other fixed assets, net					
		1,413,004	395,879		1,808,883
Investments in subsidiaries	1,632,901	282,197		(1,915,098)	
Investments in available-for-sale securities		7,660			7,660
Investments in affiliates	318,399	5,122	11,782		335,303
Long-term receivable from affiliate companies		5,144			5,144
Loan receivable from affiliate companies		2,660			2,660
Other long-term assets	19,079	20,296	28,602		67,977
Goodwill and other intangibles	92,372	97,813	161,815		352,000
Total non-current assets	2,062,751	1,833,896	598,078	(1,915,098)	2,579,627
Total assets	\$ 2,101,381	\$ 2,057,881	\$ 795,149	\$ (2,034,798)	\$ 2,919,613
LIABILITIES AND STOCKHOLDERS EQUITY					
Current liabilities					
Accounts payable	\$ 267	\$ 27,765	\$ 23,660	\$	\$ 51,692
Accrued expenses and other liabilities	16,307	29,582	18,310		64,199
Deferred income and cash received in advance		12,331	884		13,215
Intercompany payables	19,112	97,546	3,042	(119,700)	

Edgar Filing: Navios Maritime Holdings Inc. - Form 6-K

Current portion of capital lease obligations			1,400		1,400
Current portion of long-term debt		19,192	69		19,261
Total current liabilities	35,686	186,416	47,365	(119,700)	149,767
Long-term debt, net of current portion	1,000,000	198,373	293,615		1,491,988
Capital lease obligations, net of current portion			22,359		22,359
Unfavorable lease terms		27,074			27,074
Other long-term liabilities and deferred income		18,352	6,869		25,221
Deferred tax liability			13,869		13,869
Total non-current liabilities	1,000,000	243,799	336,712		1,580,511
Total liabilities	1,035,686	430,215	384,077	(119,700)	1,730,278
Noncontrolling interest		4,050	119,590		123,640
Total Navios Holdings stockholders equity	1,065,695	1,623,616	291,482	(1,915,098)	1,065,695
Total liabilities and stockholders equity	\$ 2,101,381	\$ 2,057,881	\$ 795,149	\$ (2,034,798)	\$ 2,919,613

F-25

Table of Contents

NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

Cash flow statement for the nine months ended September 30, 2014	Navios Maritime Holdings Inc	Guarantor	Non Subsidiaries	Eliminations	Total
Net cash (used in)/provided by operating activities	\$ (40,578)	\$ 55,071	\$ 19,282	\$	\$ 33,775
Cash flows from investing activities					
Acquisition of investments in affiliates			(2,233)		(2,233)
Loan to affiliate company		(3,211)			(3,211)
Increase in long-term receivable from affiliate companies		(3,111)			(3,111)
Dividends from affiliate companies	10,947				10,947
Deposits for vessel acquisitions		(17,595)			(17,595)
Acquisition of vessels		(72,003)			(72,003)
Purchase of property, equipment and other fixed assets	(15)	(151)	(78,536)		(78,702)
Net cash provided/(used in) in investing activities	10,932	(96,071)	(80,769)		(165,908)
Cash flows from financing activities					
Transfer (to)/from other group subsidiaries	(45,754)	43,521	2,233		
Issuance of common stock	643				643
Net proceeds from issuance of preferred stock	163,929				163,929
Proceeds from long-term loans, net of deferred finance fees		40,365			40,365
Proceeds from issuance of senior notes, net of debt issuance costs			365,732		365,732
Repayment of long-term debt and payment of principal		(15,757)	(51)		(15,808)
Repayment of senior notes			(290,000)		(290,000)
Contribution from noncontrolling shareholders		3,484			3,484
Dividends paid	(22,165)				(22,165)
Decrease in restricted cash		143			143
Acquisition of noncontrolling interest		(10,889)			(10,889)
Payments of obligations under capital leases			(1,040)		(1,040)
Net cash provided by financing activities	96,653	60,867	76,874		234,394
Net increase in cash and cash equivalents	67,007	19,867	15,387		102,261
Cash and cash equivalents, at beginning of period	33,769	67,492	86,570		187,831
Cash and cash equivalents, at end of period	\$ 100,776	\$ 87,359	\$ 101,957	\$	\$ 290,092

F-26

Table of Contents

NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars except share data)

Cash flow statement for the nine months ended September 30, 2013	Navios Maritime Holdings Inc. Issuer	Guarantor Subsidiaries	Non Guarantor Subsidiaries	Eliminations	Total
Net cash provided by operating activities	\$ 12,476	\$ 42,912	\$ 23,667	\$	\$ 79,055
Cash flows from investing activities					
Acquisition of intangible assets			(2,092)		(2,092)
Acquisition of investments in affiliates	(160,001)		(3,168)		(163,169)
Loan repayment from affiliate company	35,000				35,000
Decrease in long-term receivable from affiliate companies		19,301			19,301
Acquisition of vessels		(67,813)			(67,813)
Purchase of property, equipment and other fixed assets		(809)	(43,998)		(44,807)
Dividends from affiliate companies	6,477				6,477
Net cash used in investing activities	(118,524)	(49,321)	(49,258)		(217,103)
Cash flows from financing activities					
Transfer from/(to) other group subsidiaries	110,318	(113,485)	3,167		
Issuance of common stock	434				434
Proceeds from issuance of senior notes including premium, net of debt issuance costs			90,240		90,240
Proceeds from long-term loans, net of deferred finance fees		39,368			39,368
Repayment of long-term debt and payment of principal	(5,433)	(27,593)	(53)		(33,079)
Acquisition of noncontrolling interest			(750)		(750)
Dividends paid	(19,804)				(19,804)
Decrease in restricted cash	10,038	8,791			18,829
Payments of obligations under capital leases			(895)		(895)
Net cash provided by/(used in) financing activities	95,553	(92,919)	91,709		94,343
Net (decrease)/increase in cash and cash equivalents	(10,495)	(99,328)	66,118		(43,705)
Cash and cash equivalents, at beginning of period	79,213	133,116	45,539		257,868
Cash and cash equivalents, at end of period	\$ 68,718	\$ 33,788	\$ 111,657	\$	\$ 214,163

NOTE 15: SUBSEQUENT EVENTS

- a) On October 2, 2014, Navios Holdings received \$3,649 as a dividend distribution from its affiliate Navios Acquisition for the second quarter of 2014.
- b) On October 15, 2014, Navios Holdings paid a dividend of \$1,094 and \$2,789 to its Series G and Series H preferred stockholders, respectively.
- c) On November 6, 2014, Navios Holdings entered into a facility with Alpha Bank A.E. for an amount of \$31,000 in order to finance part of the acquisition of a 2012-built 179,515 dwt Capesize vessel, which was delivered on November 24, 2014. The loan bears interest at a rate of LIBOR plus 300 basis points and is repayable in 32 quarterly installments of \$450, with a final balloon payment of \$16,600 on the last repayment date.
- d) On November 10, 2014, Navios Holdings received \$7,536 as a dividend distribution from its affiliate Navios Partners for the third quarter of 2014.
- e) In connection with the Navios Maritime Midstream Partners L.P (Navios Midstream) initial public offering and effective November 18, 2014:
 - Navios Holdings entered into an omnibus agreement with Navios Midstream, Navios Acquisition and Navios Partners pursuant to which Navios Acquisition, Navios Holdings and Navios Partners have agreed not to acquire or own any VLCCs, crude oil tankers, refined petroleum product tankers, LPG tankers or chemical tankers under time charters of five or more years without the consent of Navios Midstream; and

- Navios Holdings entered into a ten-year option agreement, under which Navios Acquisition granted Navios Holdings the option to acquire at least 25% of the outstanding membership interests in Navios Maritime Midstream GP LLC, and all the incentive distribution rights in Navios Midstream.

- f) On November 19, 2014, the Board of Directors of Navios Holdings declared a dividend of \$0.06 per share of common stock, which will be paid on December 18, 2014 to stockholders of record on December 11, 2014.

Table of Contents

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.

NAVIOS MARITIME HOLDINGS INC.

By: /s/ Angeliki Frangou
Angeliki Frangou
Chief Executive Officer
Date: November 28, 2014