

Navios Maritime Holdings Inc.  
Form 424B5  
May 24, 2007

Filed Pursuant to Rule 424(B)(5)  
Registration No. 333-141872

Prospectus supplement  
(to Prospectus dated April 13, 2007)

11,500,000 Shares

NAVIOS MARITIME HOLDINGS INC.

Common Stock

We are offering 11,500,000 shares of our common stock pursuant to this prospectus supplement.

Our common stock is listed on the New York Stock Exchange under the symbol "NM." On May 23, 2007, the closing price of our common stock on the New York Stock Exchange was \$10.17 per share.

	Per Share	Total
Public offering price	\$ 10.00	\$ 115,000,000
Underwriting discounts and commissions	\$ 0.50	\$ 5,750,000
Proceeds to us, before expenses	\$ 9.50	\$ 109,250,000

We have granted the underwriters an option for a period of 30 days to purchase from us up to 1,725,000 additional shares of our common stock to cover any over-allotments.

Investing in our common stock involves a high degree of risk. See "Risk factors" beginning on page S-13 of this prospectus supplement.

The delivery of shares of common stock will be made on or about May 30, 2007.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or accompanying prospectus. Any representation to the contrary is a criminal offense.

JPMorgan

Merrill Lynch & Co.

S. Goldman Advisors LLC  
May 23, 2007

Dahlman Rose & Company

Table of Contents

Important notice about information in this prospectus supplement

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying base prospectus and the documents incorporated by reference into this prospectus supplement and the base prospectus. The second part, the base prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined, and when we refer to the accompanying prospectus, we are referring to the base prospectus.

If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with information that is different. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate only as of the date such information was issued, regardless of the time of delivery of this prospectus supplement and the accompany prospectus or any sale of our shares of common stock.

Dry bulk shipping industry data

The discussions contained in the section of this prospectus supplement entitled “The International dry bulk shipping industry” has been reviewed by Drewry Shipping Consultants Ltd., or Drewry, which has confirmed to us that they accurately describe the international dry bulk shipping industry, subject to the reliability of the data supporting the statistical and graphical information presented in this prospectus supplement.

The statistical and graphical information we use in this prospectus supplement has been compiled by Drewry from its database. Drewry compiles and publishes data for the benefit of its clients. Its methodologies for collecting data, and therefore the data collected, may differ from those of other sources, and its data does not reflect all or even necessarily a comprehensive set of the actual transactions occurring in the market.

S-i

---

Table of contents

<u>Forward-looking statements</u>	Page <u>S-iii</u>
<u>Summary</u>	<u>S-1</u>
<u>The offering</u>	<u>S-9</u>

<u>Summary consolidated financial and other data</u>	<u>S-10</u>
<u>Risk factors</u>	<u>S-13</u>
<u>Use of proceeds</u>	<u>S-17</u>
<u>Price range of common stock</u>	<u>S-18</u>
<u>Dividend policy</u>	<u>S-19</u>
<u>Capitalization</u>	<u>S-20</u>
<u>Management's discussion and analysis of financial condition and results of operations</u>	<u>S-21</u>
<u>The international dry bulk shipping industry</u>	<u>S-51</u>
<u>Tax considerations</u>	<u>S-60</u>
<u>Underwriting</u>	<u>S-68</u>
<u>Legal matters</u>	<u>S-75</u>
<u>Experts</u>	<u>S-75</u>
<u>Incorporation by reference</u>	<u>S-76</u>
<u>Glossary of shipping terms</u>	<u>S-77</u>

Navios Maritime Holdings Inc. is incorporated under the laws of the Marshall Islands. We maintain our principal executive offices at 85 Akti Miaouli Street, Piraeus, Greece 185 38. Our telephone number at that address is (011) +30-210-4595000. Our website address is www.navios.com. The information on our website is not a part of this prospectus supplement or accompanying prospectus.

S-ii

---

## Table of Contents

### Forward-looking statements

Statements in this prospectus supplement, the accompanying prospectus and documents incorporated by reference may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements, which are other than statements of historical facts.

We desire to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are including this cautionary statement in connection with this safe harbor legislation. This prospectus and any other written or oral statements made by us or on our behalf may include forward-looking statements which reflect our current views with respect to future events and financial performance. The words “believe”, “anticipate”, “intend”, “estimate”, “forecast”, “project”, “plan”, “potential”, “will”, “may”, “should”, “expect” and similar expressions identify forward-looking statements.

The forward-looking statements in this prospectus are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management’s examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors and matters discussed elsewhere in this prospectus supplement, and in the documents incorporated by reference in this prospectus, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, changes in our operating expenses, changes in governmental rules and regulations or actions taken by regulatory authorities in, potential liability from future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events and other important factors described from time to time in the reports we file with the SEC and the New York Stock Exchange. We caution readers of this prospectus supplement and the accompanying prospectus not to place undue reliance on these forward-looking statements, which speak only as of their dates. We undertake no obligation to update or revise any forward-looking statements.

S-iii

---

## Table of Contents

### Summary

This summary provides an overview of the company and its subsidiaries and the key aspects of the offering. This summary is not complete and does not contain all of the information you should consider before purchasing our common stock. You should carefully read all of the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the “Risk factors” and our financial statements and related notes contained herein and therein, before making an investment decision. In this prospectus supplement, references to “Navios Maritime Holdings Inc.,” “Navios,” “we,” “us,” “company” and “our” refer to Navios Maritime Holdings Inc. and its subsidiaries. See “Management’s discussion and analysis of financial condition and results of operations — EBITDA reconciliation” for a reconciliation of our calculation of earnings before interest, taxes and depreciation, or EBITDA, which is used in this prospectus supplement, to generally accepted accounting principles.

### Our Company

#### Overview

We are a large, global, vertically integrated seaborne shipping company transporting a wide range of drybulk commodities, including iron ore, coal, grain and fertilizer. We charter our vessels to a diversified group of companies, including strong counterparties, such as BHP Billiton, Cargill International, Mitsui O.S.K. Lines and COSCO Bulk Carrier Co. The Navios business was established by United States Steel Corporation in 1954, and we believe that we have built strong brand equity through over 50 years of experience working with raw materials producers, agricultural traders and exporters, and industrial end-users.

We have a modern fleet of 37 active vessels aggregating approximately 3.0 million deadweight tons, or dwt, and have contracted to take delivery of eight additional vessels bringing our total controlled fleet to 45 vessels aggregating approximately 3.8 million dwt. The active vessels in our fleet are significantly younger than the world drybulk fleet and have an average age of approximately 4.3 years compared to an industry average of 15.5 years. Our fleet consists of Capesize, Panamax and Ultra-Handymax vessels. Capesize vessels are large vessels primarily used to transport iron ore and coal. The Panamax and Ultra-Handymax vessels are smaller vessels which are highly flexible and capable of carrying a wide range of drybulk commodities and of being accommodated in most major discharge ports. We have a balanced strategy of owning and chartering-in vessels. Of the 37 active vessels in our fleet, we own and operate 21 vessels, including one Capesize (170,000 dwt) vessel, nine Panamax vessels (60,000-83,000 dwt) and ten Ultra-Handymax (50,000-59,000 dwt) vessels. We also own one Handysize product tanker (19,000 dwt), which was

acquired in connection with the acquisition of Kleimar, N.V. in February 2007.

We believe our large, modern fleet, coupled with the long Navios operating history, allows us to charter-out our vessels for long periods of time and to high quality counterparties. We currently have all of our 37 active vessels under long and medium-term charter-out contracts. Excluding the vessels from the acquisition of Kleimar, N.V., our owned fleet has charter-out contracts with an average initial duration of approximately 2.2 years. As of May 1, 2007, the average remaining charter period for our owned and charter-in fleet, other than the vessels acquired in the acquisition of Kleimar, is approximately 1.7 years and, as of May 1, 2007, we have charters covering 92.4% of our 2007 available days, 65.0% of our 2008 available days and 23.2% of our 2009 available days for such fleet.

We have grown our active fleet by 76% over the past 19 months through a variety of means, including the acquisition of Kleimar, N.V. in February 2007, the acquisition of vessels through the exercise of purchase options, open market acquisitions and long-term charter-in contracts. As of March 31, 2007, we had purchase options on 11 of our 24 controlled charter-in vessels, including purchase options on four of the eight vessels to be delivered. Many of these purchase options are

S-1

---

## Table of Contents

at purchase prices significantly below the current market value for the vessels. We believe that our long history, brand recognition and relationship with many of the largest trading houses in Japan, such as Marubeni Corporation and Mitsui & Co., are important factors in our continued access to favorable long-term charters and purchase options. We regularly investigate the acquisition of additional vessels and shipping businesses and are currently in discussions regarding several of such acquisitions, any of which could be material.

Our management team, with an average of over 20 years of industry experience, is well respected in the drybulk sector and the shipping industry. The collective expertise of our management team and our in-house technical management, together with the efficiencies derived from our modern fleet, allow us to operate at a comparatively low cost and to more fully utilize our fleet while achieving a desirable mix of revenues. We believe our operating costs for the year ended December 31, 2006, were approximately 18% below the industry average for vessels of a similar age. Through strategic commercial management of our fleet, we employ our vessels in the following ways: long-term charters, short-term charters, spot charters, and the use of contracts of affreightment, or CoAs.

We believe our contracted revenues, low operating expenses and demonstrated growth, enable us to improve the stability, predictability and growth of our cash flow. For the twelve months ended December 31, 2006, our EBITDA was \$103.2 million as compared to EBITDA of \$82.2 million for the twelve months ended December 31, 2005. Our EBITDA for the three month period ended March 31, 2007, was \$34.6 million as compared to EBITDA of \$24.6 million for the three months ended March 31, 2006.

Navios is seeking to develop a South American logistics business to capitalize on its bulk transfer and storage port terminal in Uruguay. The facility, which is the largest in Uruguay, and is strategically located in an international tax free trade zone at the confluence of the Parana and Uruguay rivers, provides leading international grain and commodity houses with the transfer and storage of a wide range of commodities. The region's growing agricultural and mineral exports, the cost effectiveness of river transport compared to available alternatives and the strategic placement of the facility provide a significant opportunity to develop this business.

Our Fleet

Since September 1, 2005, we have grown our fleet from 21 vessels to 37 vessels.

#### Fleet Growth Profile

	2005		2006	2007
	September 1	December 31	December 31	March 31
Owned Vessels	6	11	17	21
Charter-in Vessels With Purchase Options	10	8	5	7
Charter-in Vessels Without Purchase Options	5	4	5	9
Total Active Fleet	21	23	27	37
Owned as a % of Total	29%	48%	63%	57%
Dwt (in millions)	1.3	1.5	1.8	3.0

S-2

---

#### Table of Contents

The following tables present certain information relating to our fleet as of May 10, 2007:

#### Owned Fleet

Vessel Name(1)	Vessel Type	Year Built	Dwt
Navios Ionian	Ultra Handymax	2000	52,068
Navios Apollon	Ultra Handymax	2000	52,073
Navios Horizon	Ultra Handymax	2001	50,346
Navios Herakles	Ultra Handymax	2001	52,061
Navios Achilles	Ultra Handymax	2001	52,063
Navios Meridian	Ultra Handymax	2002	50,316
Navios Mercator	Ultra Handymax	2002	53,553
Navios Arc	Ultra Handymax	2003	53,514
Navios Hios	Ultra Handymax	2003	55,180
Navios Kypros	Ultra Handymax	2003	55,222
Navios Gemini S	Panamax	1994	68,636
Navios Libra II	Panamax	1995	70,136
Navios Felicity	Panamax	1997	73,867
Navios Magellan	Panamax	2000	74,333
Navios Galaxy I	Panamax	2001	74,195
Navios Star	Panamax	2002	76,662
Navios Hyperion	Panamax	2004	75,707
Navios Alegria	Panamax	2004	76,466
Asteriks	Panamax	2005	76,801
Obeliks(2)	Capesize	2000	170,454

- (1) Excludes the Vanessa, a Handysize product tanker (19,000 dwt) built in 2002, acquired in connection with the acquisition of Kleimar in February 2007, as it is not a bulk carrier vessel.
- (2) 95% owned. Contracted to be sold for \$24.2 million in 2009. Obeliks is accounted for as a vessel under a capital lease rather than an owned vessel in our financial statements incorporated by reference herein.

S-3

---

Table of Contents

## Charter-In Fleet

Vessel Name	Vessel Type	Year Built	Dwt	Purchase Option
Long-term Charter-in Fleet in Operation				
Navios Vector	Ultra Handymax	2002	50,296	No
Navios Astra	Ultra Handymax	2006	53,468	Yes
Navios Primavera	Ultra Handymax	2007	53,500	Yes
Navios Cielo	Panamax	2003	75,834	No
Belisland	Panamax	2003	76,602	No
Navios Orbiter	Panamax	2004	76,602	Yes
Navios Aurora	Panamax	2005	75,397	Yes
Navios Orion	Panamax	2005	76,602	No
Navios Titan	Panamax	2005	82,936	No
Navios Sagittarius	Panamax	2006	75,756	Yes
Navios Altair	Panamax	2006	83,001	No
Golden Heiwa	Panamax	2007	76,662	(*)
SA Fortius	Capesize	2001	171,595	No
Beaufiks	Capesize	2004	180,181	Yes
Fantastiks	Capesize	2005	180,265	Yes
Rubena N	Capesize	2006	203,233	(*)

Vessel Name	Vessel Type	To be Delivered	Dwt	Purchase Option
Long-term Charter-in Fleet to be Delivered				
Navios TBN	Ultra Handymax	05/2008	55,100	No
Navios Prosperity	Panamax	06/2007	83,000	Yes
Navios Esperanza	Panamax	08/2007	75,200	No
Tsuneishi TBN	Panamax	03/2008	75,250	(*)
Navios TBN	Panamax	03/2008	76,500	Yes
Navios TBN	Panamax	09/2011	80,000	Yes
Namura TBN	Capesize	04/2010	176,800	(*)
Navios TBN	Capesize	09/2011	180,200	Yes

\*The charter-in contract of the vessel contains a purchase option. The vessel has been chartered out by Kleimar and, as part of the charter agreement, Kleimar also granted to the charterers a call option on

the vessel that is exercisable on the same day (immediately after) the purchase option held by Kleimar is exercised.

#### Competitive Strengths

We believe that the following strengths allow us to maintain a competitive advantage within the drybulk segment of the international shipping market.

**Large, Modern Fleet.** Our fleet consists of 37 active vessels, plus eight vessels that are contracted for future delivery, bringing our total controlled fleet to 45 vessels aggregating approximately 3.8 million dwt and making us one of the larger independent drybulk operators in the world. Our active fleet is comprised of modern Capesize, Panamax and Ultra-Handymax vessels with an average age of 4.3 years compared to an industry average age of 15.5 years. We believe our fleet provides us with certain operational advantages, such as higher productivity levels and lower insurance premiums and operating costs. Our large, modern fleet provides us with a competitive advantage in the time charter market, where vessel age and quality are of significant importance in competing for business.

**Experienced Management Team and Strong Brand.** Our management team is well respected in the drybulk sector and the shipping industry, and has a strong track record of operational

S-4

---

#### Table of Contents

experience. The key members of our management team have on average over 20 years of experience in the shipping industry. Since September 1, 2005, our management team has grown our fleet to 45 vessels, including eight vessels to be delivered through 2011, and reduced our daily operating expenses per vessel by approximately 10%. In addition, the Navios brand has over 50 years of history in the drybulk sector and has a well established reputation for reliability and performance. We believe that our well respected management team and strong brand present us with market opportunities not afforded to other drybulk carriers.

**Proven Ability to Grow Fleet.** We have grown our fleet rapidly, from 21 vessels as of September 1, 2005 to 37 active vessels as of May 9, 2007, through a variety of means, including the acquisition of Kleimar, N.V. in February 2007, the acquisition of vessels through the exercise of purchase options, open market acquisitions and long-term charter-in contracts. Our long history and brand recognition, has enabled us to develop relationships with many of the largest trading houses in Japan, such as Marubeni Corporation and Mitsui & Co. Through these relationships, we have obtained low-cost, long-term charter-in contracts. The majority of these contracts contain options to extend time charters as well as options to purchase the vessel. The purchase options require no initial outlay of capital to build the vessel and shift the construction risk to the charter counterparty. Since these options can be exercised over a number of years, they provide us the flexibility of purchasing a vessel if market conditions are attractive. In addition, chartering-in vessels is a low cost alternative for expanding our fleet and, historically, we have been able to charter-in vessels at attractive rates relative to our charter-out rates. Except with respect to vessels acquired in the acquisition of Kleimar, as of March 31, 2007, we have an average charter-in rate of approximately \$9,373 per day and an average charter-out rate of approximately \$19,613 per day.

**Operating Visibility Through Contracted Revenues with Strong Counterparties.** All of our vessels are chartered-out with an average remaining charter period of approximately 1.7 years as of May 1, 2007, and we believe our existing charter coverage provides us with predictable, contracted revenues and operating visibility. We charter our vessels to a diversified group of companies, including strong counterparties, such as BHP Billiton, Cargill International, Mitsui O.S.K. Lines and COSCO Bulk Carrier Co. Except with respect to vessels acquired in the acquisition of Kleimar, as



of May 1, 2007, we had significant charter coverage with our fleet chartered-out for 92.4% of available days in 2007, 65.0% of available days in 2008 and 23.2% of available days in 2009 representing contracted fees (net of commissions), based on contracted charter rates from our current charter arrangements, of \$200.0 million for 2007, \$171.9 million in 2008 and \$61.5 million in 2009, respectively, subject to performance.

**Low-Cost, Efficient Operation with In-House Technical Management.** We believe our operating efficiencies allow us to maintain lower than industry average operating expenses. For the year ended December 31, 2006, our operating expenses were approximately 18% below the industry average for vessels of a similar age. We employ our own in-house technical management team which manages the operation and maintenance of our vessels. In addition to the operating advantages provided by our young fleet, our in-house technical management team utilizes a customized information technology platform that increases efficiency. This allows us to proactively monitor our vessels' performance and conduct in-transit repairs to lower our operating costs, thereby enhancing vessel utilization, which was 99.5% for the 12 months ended December 31, 2006.

## Business Strategy

Our strategy is to generate stable, predictable and growing cash flow through the following:

**Expand Our Fleet of Owned and Charter-in Vessels.** We will seek to expand the size of our fleet to increase our cash flow and profitability. We will continue to charter-in additional tonnage, exercise the purchase options on certain chartered-in vessels and, depending on market

S-5

---

## Table of Contents

conditions, purchase secondhand vessels or shipping companies to increase the number of vessels we own and control. Our ability to charter-in vessels at favorable rates affords us a low-cost alternative to add additional shipping capacity without the capital expenditures required by new vessel acquisitions. In addition, through our purchase options on certain of our charter-in vessels, we are able to purchase vessels at lower purchase prices than the current market rates. As of March 31, 2007, we had purchase options on 11 of our 24 controlled charter-in vessels, including purchase options on four of the eight vessels to be delivered. Many of these purchase options are at purchase prices significantly below the current market value for the vessels.

**Maximize Fleet Utilization.** For the year ended December 31, 2006, we maintained an average utilization of 99.5%, which we believe is one of the highest fleet utilization rates in the industry. We maximize our vessel utilization through long-term charters complemented by a mix of spot charters, short-term time charters, CoA arrangements and strategic backhaul and triangulation methods. We believe we are one of relatively few major owners and operators of vessels that implement these various strategies.

**Continue to Operate Our Owned Vessels Efficiently.** Through our in-house technical management, we will continue to focus on implementing best practices to derive efficiencies from the operation of our owned fleet and focus on reducing our operating costs per owned vessel. By focusing on preventative maintenance and proactively monitoring our vessels' performance, we are able to limit the days of off-hire for our vessels. For the year ended December 31, 2006, we had a total of 11.1 days of off-hire for our owned fleet.

**Capitalize on Our Established Reputation.** We have an established reputation for maintaining high standards of performance, reliability, and safety. We believe our reputation and commercial relationships enable us to obtain

favorable long-term time charters, increase our short-term tonnage capacity to several times the capacity of our fleet and obtain access to cargo freight opportunities through CoA arrangements not readily available to other industry participants. We will continue to leverage our reputation to obtain favorable charter-in and vessel acquisition terms, as reflected in the purchase options contained in many of our long-term chartered-in vessels.

**Capitalize on Market Intelligence.** Our experience in the industry and active involvement in the spot based, short-term and long-term charter markets and the market for forward freight agreements, or FFAs, provide us real-time access to market intelligence. Given the cyclical and volatile nature of the drybulk shipping market, we have raised the commercial sophistication of our business model in recent years by using market intelligence to make more informed decisions in managing our fleet.

**Build South American Logistics Business.** Navios' bulk transfer and storage port terminal in Uruguay, provides leading international grain and commodity houses with the transfer and storage of a wide range of commodities originating in the Hidrovia region of Argentina, Bolivia, Brazil, Paraguay and Uruguay. With significant room for expansion, Navios is focusing on expanding Navios' transfer and storage port terminal and developing a logistics business on the Paraguay and Parana rivers to capitalize on the region's growing agricultural and mineral exports, the cost effectiveness of river transport as compared to available alternatives and its existing transportation infrastructure.

## Industry Overview

The marine industry is fundamental to international trade as it is the only practical and cost effective means of transporting large volumes of basic commodities and finished products over long distances. In 2006, approximately 2.8 billion tons of drybulk cargo was transported by sea, comprising more than one-third of all international seaborne trade. From 2001 to 2006, trade in all drybulk commodities experienced an aggregate increase of 29%.

Over the past 25 years, drybulk cargo charter rates have passed through cyclical phases with the changes in vessel supply and demand creating a pattern of "peaks" and "troughs" in vessel rates.

S-6

---

## Table of Contents

In 2003 and 2004, rates for all sizes of drybulk carriers strengthened to their highest levels ever. During 2005 and 2006, rates have been quite volatile but have generally remained at high levels, the key driver being the high level of demand for raw materials imported by China.

Certain factors currently contributing to the favorable dynamics and prospects for drybulk shipping capacity are:

### Supply:

- Scarcity of the near-term availability of newbuilding berths for vessel delivery before the end of 2009;
- Increasing voyage lengths from producers to consumers requiring additional ton-miles to service the demands of the global drybulk trade;
- Increasing age of the world fleet with approximately 31% of vessels more than 20 years old; and
- Port delays at the main exporting terminals worldwide, lengthening voyage durations and effectively reducing the supply of vessels that are available for hire at any particular time.

Demand:

- Increasing global industrial production and consumption and international trade, driving the strong demand for drybulk capacity;
- Economic growth and urbanization in China, Russia, Brazil, India and the Far East, with attendant increases in steel production, power generation and grain consumption, leading to greater demand for dry bulk shipping;
- Inefficient transportation bottlenecks due to long-term under-investment in global transportation infrastructure and high demand for dry bulk commodities; and
- Limited capacity of shipyards due to the orderbook for tankers, dry bulk carriers and container ships.

The drybulk shipping industry is also affected, favorably and unfavorably, by a number of other factors. See “The international dry bulk shipping industry — Industry Overview” in this prospectus supplement.

Recent Acquisition

In February 2007, Navios entered the Capesize shipping market through the acquisition of all of the outstanding share capital of Kleimar N.V. for cash consideration of \$165.6 million, subject to certain cash adjustments. At the time of the acquisition, Kleimar had approximately \$39.8 million of debt. Kleimar is a Belgian maritime transportation company established in 1993. At the time of the acquisition, Kleimar controlled 12 vessels, of which it had ownership interests in three. At that time, the long-term chartered-in fleet consisted of five Capesize vessels, three Panamaxs, and one Handymax, which was subsequently disposed of by Navios. As of May 15, 2007, the average age of the fleet acquired from Kleimar’s, excluding the Handymax, is 3.1 years.

Ownership and Corporate Structure

The Navios business was established by United States Steel Corporation in 1954 for the transportation of its iron ore requirements. On August 25, 2005, International Shipping Enterprises, Inc., or ISE, acquired all of the outstanding shares of Navios’ common stock and merged with and into Navios, with Navios surviving. Navios maintains offices in Piraeus, Greece, Norwalk, Connecticut, Antwerp, Belgium and Montevideo, Uruguay. Navios’ corporate structure

S-7

---

Table of Contents

is functionally organized: commercial ship management and risk management are conducted through Navios Corporation and its wholly-owned subsidiaries (out of South Norwalk and Piraeus, respectively), while the technical management of Navios’ owned vessels is conducted through Navios ShipManagement Inc. (out of Piraeus) and vessels are owned by wholly-owned subsidiaries. Navios owns the Nueva Palmira port and transfer facility indirectly through its Uruguayan subsidiary, Corporación Navios Sociedad Anónima, or CNSA.

Our common stock is listed on the New York Stock Exchange under the ticker symbol “NM.”

Navios is located at 85 Akti Miaouli Street, Piraeus 185 38, Greece and its telephone number is +30-210-4595000.

S-8

The offering

Issuer	Navios Maritime Holdings Inc.
Shares of common stock offered by us	11,500,000 shares (13,225,000 shares if the underwriters' over-allotment option is exercised in full).
Total shares of common stock to be outstanding after this offering	94,022,754 shares (95,747,754 shares if the underwriters' over-allotment option is exercised in full).
New York Stock Exchange Symbol	NM
Use of proceeds	We estimate that we will receive net proceeds of \$108,500,000 (\$124,887,500 if the underwriters' over-allotment option is exercised in full) from the sale of common stock offered by us in this offering, after deducting the underwriting discount and estimated offering expenses payable by us. We intend to use the net proceeds from the sale of the common stock to fund growth and for general corporate purposes.
Risk factors	See "Risk factors" beginning on page S-13 of this prospectus supplement and page 3 of the accompanying prospectus, and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.

S-9

Summary consolidated financial and other data

The following table sets forth our summary consolidated financial and other operating data. The summary consolidated and other financial data in the tables are derived from our consolidated financial statements. We refer you to the footnotes to our consolidated financial statements for a discussion of the basis on which our consolidated financial statements are presented. In accordance with standard shipping industry practice, we have not obtained historical operating data for secondhand vessels that we have acquired from third parties, as that data was not material to our decision to purchase the vessels. Accordingly, we have not included any historical financial data relating to the results of operations of secondhand vessels from the period before our acquisitions of those vessels.

The following data should be read in conjunction with the consolidated financial statements, related notes and other financial information as of and for (i) the three months ended March 31, 2007 filed with the SEC on a Form 6-K on May 16, 2007 and (ii) the year ended December 31, 2006 filed with the SEC on a Form 20-F on March 27, 2007 and incorporated by reference herein and in the accompanying prospectus.

S-10

Statement of Operations Data: (Thousands of U.S. Dollars – except per share data):	Successor Quarter Ended March 31, 2007	Successor Quarter Ended March 31, 2006	Successor Year Ended December 31, 2006	Successor August 26, 2005 To December 31, 2005	Predecessor January 1, 2005 To August 25, 2005	Predecessor Year Ended December 31, 2004
Revenue	\$ 101,842	\$ 49,169	\$ 205,965	\$ 76,376	\$ 158,630	\$ 279,184
Gain (loss) gain on Forward Freight Agreements	2,854	1,662	19,786	(2,766)	2,869	57,746
Time charter, voyage and port terminal expenses	(60,440)	(20,767)	(84,717)	(39,119)	(91,806)	(179,732)
Direct vessel expenses	(6,158)	(3,673)	(19,863)	(3,137)	(5,650)	(8,224)
General and administrative expenses	(4,293)	(3,596)	(14,565)	(4,582)	(9,964)	(12,722)
Depreciation and amortization	(6,977)	(10,120)	(37,719)	(13,582)	(3,872)	(5,925)
Gain on sale of assets	—	—	—	—	—	61
Provision for losses on accounts receivable	—	—	(6,242)	(411)	—	(294)
Interest income from investment in finance lease	560	—	—	—	—	—
Interest income	1,523	468	3,832	1,163	1,350	789
Interest expense and finance cost, net	(13,471)	(9,206)	(47,429)	(11,892)	(1,677)	(3,450)
Other income	168	934	1,819	52	1,426	374
Other expense	(474)	(43)	(472)	(226)	(757)	(1,438)
Income before equity in net earnings of affiliate companies	15,134	4,828	20,395	1,876	50,549	126,369
Equity in net Earnings of Affiliated Companies and Joint venture	828	154	674	285	788	763
Net Income before taxes	15,962	4,982	21,069	2,161	51,337	127,132
Income taxes	(1,179)	—	—	—	—	—
Net income	\$ 14,783	\$ 4,982	\$ 21,069	\$ 2,161	\$ 51,337	\$ 127,132
Less: Incremental fair value of securities offered to induce warrant exercise	(4,195)	—	—	—	—	—
	10,588	4,982	21,069	2,161	51,337	127,132

Edgar Filing: Navios Maritime Holdings Inc. - Form 424B5

Income available to common shareholders						
Earnings per share, basic	\$ 0.14	\$ 0.11	\$ 0.38	\$ 0.05	\$ 58.70	\$ 139.83
Weighted average number of shares, basic	76,257,391	45,336,324	54,894,402	40,189,356	874,584	909,205
Earnings per share, diluted	0.13	0.11	0.38	0.05	58.70	139.83
Weighted average number of shares, diluted	82,937,670	45,336,324	55,529,688	45,238,554	874,584	909,205

S-11

	Successor Quarter Ended March 31, 2007	Successor Quarter Ended March 31, 2006	Successor Year Ended December 31, 2006	Successor Year Ended December 31, 2005
Balance Sheet Data: (Thousands of U.S. Dollars)				
Cash and cash equivalents	\$ 71,129	\$ 31,774	\$ 99,658	\$ 37,737
Total current assets	240,589	88,966	195,869	114,539
Total assets	1,381,029	831,665	944,783	789,383
Total current liabilities	222,089	114,199	108,979	133,604
Long-term debt, net of current portion	321,130	496,256	261,856	439,179
Senior notes, net of discount	298,007	—	297,956	—
Total liabilities	1,028,467	616,814	670,567	581,625
Total stockholders' equity	352,562	214,851	274,216	207,758

	Successor Quarter Ended March 31, 2007	Successor Quarter Ended March 31, 2006	Successor Year Ended December 31, 2006	Successor August 26, 2005 To December 31, 2005	Predecessor January 1, 2005 To August 25, 2005	Predecessor Year Ended December 31, 2004
Other Financial Data: (Thousands of U.S. Dollars)						
Net cash provided by operating activities	\$ 51,006	\$ 8,697	\$ 56,432	\$ 24,371	\$ 71,945	\$ 137,218
Net cash used in investing activities	(163,944)	(74,579)	(111,463)	(119,447)	(4,264)	(4,967)
Net cash provided by (used in) financing activities	84,409	59,919	116,952	68,880	(50,506)	(111,943)
EBITDA <sup>(1)</sup>	34,572	24,597	103,177	26,537	55,696	135,967

	Quarter ended March 31, 2007	Quarter ended March 31, 2006	2006	Year ended December 31, 2005
Fleet Operating Data:				
Time Charter Equivalent (including FFAs)	\$ 21,080	\$ 18,530	\$ 18,812	\$ 22,771
Time Charter Equivalent (excluding FFAs)	\$ 20,869	\$ 17,835	\$ 16,906	\$ 22,760
Charter-in rate (2)	\$ 9,373	\$ 9,323	\$ 9,480	\$ 15,582
Daily operating cost (2)	\$ 3,940	\$ 3,643	\$ 3,609	\$ 4,053
Available days (3)	3,876	2,390	10,382	9,147
Operating days	3,875	2,385	10,333	9,110
Fleet utilization	100.0%	99.8%	99.5%	99.6%

(1) EBITDA represents net income before interest (income and expense), taxes, depreciation and amortization. EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined by GAAP, and our calculation of EBITDA may not be comparable to that reported by other companies. EBITDA is included in this document because it is a basis upon which we assess our liquidity position and because we believe that it presents useful information to investors regarding a company's ability to service and/or incur indebtedness. For a reconciliation of EBITDA to our cash flow from operations, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations — EBITDA Reconciliation" starting on page S-45.

(2) Average for the period (excludes vessels acquired through the acquisition of Kleimar).

(3) Navios has currently fixed out (i.e. arranged charters for) 92.4% and 65.0% of its 2007 and 2008 available days, respectively (excluding Kleimar's fleet).

The acquisition of Kleimar N.V. was consummated on February 2, 2007 and, accordingly, none of its results are reflected in the data above or elsewhere relating to the periods ended December 31, 2006 or prior thereto.

S-12

---

## Table of Contents

### Risk factors

You should consider carefully the following factors, as well as the other information set forth in this prospectus supplement, accompanying prospectus and the documents incorporated by reference herein and therein, before making an investment in our common stock. Some of the following risks relate principally to the industry in which we operate and our business in general. Other risks relate principally to the securities market and ownership of our common stock. The occurrence of any of the events described in this section could significantly and negatively affect our business, financial condition, operating results, cash available for dividends or the trading price of our common stock and cause you to lose all or part of your investment.

We cannot assure you that our board of directors will declare dividends.

Our board of directors may from time to time declare quarterly dividends to stockholders. The declaration and payment of dividends, if any, will always be subject to the discretion of our board of directors. The timing and amount of any dividends declared will depend on, among other things, our earnings, financial condition and cash requirements and availability, the terms of our debt, our ability to obtain debt and equity financing on acceptable terms as contemplated by our growth strategy and provisions of Marshall Islands law affecting the payment of dividends.

Marshall Islands law generally prohibits the payment of dividends other than from surplus (retained earnings and the excess of consideration received for the sale of shares above the par value of the shares) or while a company is insolvent or would be rendered insolvent by the payment of such a dividend. We may not have sufficient surplus in the future to pay dividends. We can give no assurance that dividends will be paid in the amounts that have been historically paid or at all.

Our Chairman and Chief Executive Officer will hold approximately 24% of our common stock after giving effect to this offering and will be able to exert considerable influence over our actions; her failure to own a significant amount of our common stock or to be our Chief Executive Officer would constitute a default under our senior secured credit facility.

Ms. Angeliki Frangou owns approximately 26% of the outstanding shares of our common stock (24% after giving effect to this offering), and has filed a Schedule 13D indicating that she intends, subject to market conditions, to purchase \$20 million of common stock (as of May 15, 2007, she has purchased approximately \$10 million in value of common stock). As the Chairman, Chief Executive Officer and a significant stockholder she has the power to exert considerable influence over our actions and the outcome of matters on which our stockholders are entitled to vote including the election of directors and other significant corporate actions. The interests of Ms. Frangou may be different from your interest. Furthermore, if Ms. Frangou ceases to hold a minimum of 20% of our common stock, she does not remain actively involved in the business or ceases to be our Chief Executive Officer then we will be in default under our senior credit facility.

We have substantial debt and may incur additional debt, which could adversely affect our financial health and our ability to obtain financing in the future, react to changes in our business or service our debt.

As of March 31, 2007, we had \$632.6 million in aggregate principal amount of debt outstanding. We may also increase the amount of our indebtedness in the future. We also have \$120.0 million of credit available to us under our existing secured revolving credit facility, of which \$105.0 million was undrawn as of March 31, 2007.

Our substantial debt could have important consequences to holders of our common stock. Because of our substantial debt:

- our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, vessel or other acquisitions or general corporate purposes and our ability to satisfy our obligations with respect to our debt may be impaired in the future;

S-13

---

### Table of Contents

- a substantial portion of our cash flow from operations must be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available to us for other purposes;
- we will be exposed to the risk of increased interest rates because our borrowings under our senior secured credit facility will be at variable rates of interest;
- it may be more difficult for us to satisfy our obligations to our lenders, resulting in possible defaults on and acceleration of such indebtedness;
- we may be more vulnerable to general adverse economic and industry conditions;
- we may be at a competitive disadvantage compared to our competitors with less debt or comparable debt at more favorable interest rates and that, as a result, we may be unable to withstand economic downturns;



- our debt imposes certain operating and financial restrictions on us, including limits on incurring indebtedness, paying dividends, making capital expenditures and other matters that may limit our ability to execute our business strategy;
- our ability to refinance indebtedness may be limited or the associated costs may increase; and
- our flexibility to adjust to changing market conditions and ability to withstand competitive pressures could be limited, or we may be prevented from carrying out capital spending that is necessary or important to our growth strategy and efforts to improve operating margins or our business.

There is no assurance that our options to purchase chartered-in vessels will remain in the money.

Based on industry sources, our options to purchase chartered-in vessels are, and those we have exercised in the past have been, at prices significantly below the current market value of the vessels. For example, based on such sources, as of May 15, 2007, the average market value for the eight vessels acquired through the exercise of purchase options in 2006 was \$55.3 million but the average option purchase price of the eight vessels was \$19.3 million. In addition, based on such industry sources, the average market value of the two Capesize vessels is \$115.0 million and the average option purchase price for such vessels is \$35.7 million and the average market value for the two Panamax purchase options is \$61.0 million and their average option purchase price is \$20.7 million. However, these values are not necessarily indicative of the prices at which such vessels may be sold and is not an appraisal of the value of the specific vessels as to which we have such purchase options. Moreover, the value of vessels is subject to change based on numerous factors, such as prevailing market conditions, including charter rates, the condition of the vessels, and the charter status of the vessels, and, accordingly, there is no assurance that such options will remain in the money or that the value of vessels acquired pursuant to purchase options or otherwise will not decrease.

We are incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law.

Our corporate affairs are governed by our amended and restated articles of incorporation and bylaws and by the Marshall Islands Business Corporations Act, or BCA. The provisions of the BCA are intended to resemble provisions of the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Republic of the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the law of the Republic of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in certain United States jurisdictions. Shareholder rights may differ as well. The BCA does specifically incorporate the non-statutory law, or judicial case law, of the State of Delaware and other states with substantially similar legislative provisions. Accordingly, you may have more difficulty protecting your interests in the face of actions by management, directors or controlling stockholders than you would in the case of a corporation incorporated in the State of Delaware or other U.S. jurisdictions.

S-14

---

## Table of Contents

We, and certain of our officers and directors, may be difficult to serve with process as we are incorporated in the Republic of the Marshall Islands and such persons may reside outside of the United States.

We are a corporation organized under the laws of the Republic of the Marshall Islands. Several of our directors and officers are residents of Greece or other non-U.S. jurisdictions. Substantial portions of the assets of these persons are located in Greece or other non-U.S. jurisdictions. Thus, it may not be possible for investors to affect service of process upon us or our non-U.S. directors or officers or to enforce any judgment obtained against these persons in U.S. courts.

Also, it may not be possible to enforce U.S. securities laws or judgments obtained in U.S. courts against these persons in a non-U.S. jurisdiction.

Being a foreign private issuer exempts us from certain Securities and Exchange Commission requirements.

We are a foreign private issuer within the meaning of rules promulgated under the Securities Exchange Act of 1934, or the Exchange Act. As such, we are exempt from certain provisions applicable to United States public companies including:

- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the provisions of Regulation FD aimed at preventing issuers from making selective disclosures of material information; and
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and establishing insider liability for profits realized from any “short-swing” trading transaction (i.e., a purchase and sale, or sale and purchase, of the issuer’s equity securities within less than six months).

Because of these exemptions, investors are not afforded the same protections or information generally available to investors holding shares in public companies organized in the United States.

Anti-takeover provisions in our organizational documents could make it difficult for our stockholders to replace or remove our current board of directors or have the effect of discouraging, delaying or preventing a merger or acquisition, which could adversely affect the market price of our common stock.

Several provisions of our amended and restated articles of incorporation and bylaws could make it difficult for our stockholders to change the composition of our board of directors in any one year, preventing them from changing the composition of management. In addition, the same provisions may discourage, delay or prevent a merger or acquisition that stockholders may consider favorable.

These provisions include:

- authorizing our board of directors to issue “blank check” preferred stock without stockholder approval;
- providing for a classified board of directors with staggered, three year terms;
- prohibiting cumulative voting in the election of directors;
- limiting the persons who may call special meetings of stockholders; and
- establishing advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted on by stockholders at stockholder meetings.

S-15

---

## Table of Contents

These anti-takeover provisions could substantially impede the ability of public stockholders to benefit from a change of control and, as a result, may adversely affect the market price of our common stock and your ability to realize any potential change of control premium.

Our stock price may be volatile, and you could lose all or part of your investment.

The following factors could cause the price of our common stock in the public market to fluctuate significantly:

- variations in our quarterly operating results;
- changes in market valuations of companies in our industry;
- fluctuations in stock market prices and volumes;
- issuance of common stock or other securities in the future;
- the addition or departure of key personnel;
- announcements by us or our competitors of new business or trade routes, acquisitions or joint ventures; and
- the other factors discussed elsewhere in this prospectus supplement and in the accompanying prospectus.

Volatility in the market price of our common stock may prevent investors from being able to sell their common stock at or above the price an investor pays for our common stock in an offering made pursuant to this prospectus. In the past, class action litigation has often been brought against companies following periods of volatility in the market price of those companies' common stock. We may become involved in this type of litigation in the future. Litigation is often expensive and diverts management's attention and company resources and could have a material effect on our business, financial condition and operating results.

If a substantial number of shares become available for sale and are sold in a short period of time, the market price of our common stock could decline.

If our existing stockholders sell substantial amounts of our common stock in the public market, the market price of our common stock could decrease significantly. In addition, although we have not granted options or restricted stock awards as to any of the 10 million shares available under our 2006 Stock Plan, we may do so in the future and any such shares may also be sold in the future. The perception in the public market that our existing stockholders might sell shares of common stock could also depress our market price.

S-16

---

## Table of Contents

### Use of proceeds

We estimate that we will receive net proceeds of \$108,500,000 (\$124,887,500 if the underwriters' over-allotment option is exercised in full) from the sale of common stock offered by us in this offering, after deducting the underwriting discount and estimated offering expenses payable by us. We intend to use the net proceeds from the sale of the common stock to fund growth and for general corporate purposes.

S-17

---

## Table of Contents

## Price range of common stock

The following table sets forth, for the periods indicated, the reported high and low quoted closing prices of our common stock. Commencing February 22, 2007, the principal trading market for our common stock is the New York Stock Exchange under the symbol "NM". For the period from November 3, 2005 to February 22, 2007 our common stock was trading on the Nasdaq Global Market under the symbol "BULK". Prior to November 3, 2005, the principal trading market of our common stock was the Over-The-Counter Bulletin Board. Prior to December 10, 2004, there was no established public trading market for our common stock.

On May 23, 2007, the closing price of our common stock was \$10.17. The quotations listed below for the period prior to November 3, 2005, reflect inter-dealer prices, without retail markup, markdown or commission, and may not necessarily represent actual transactions:

Quarter Ended	High	Low
March 31, 2005	\$ 7.04	\$ 5.25
June 30, 2005	\$ 6.15	\$ 5.46
September 30, 2005	\$ 6.07	\$ 5.66
December 31, 2005	\$ 4.83	\$ 4.51
March 31, 2006	\$ 5.12	\$ 4.34
June 30, 2006	\$ 4.59	\$ 4.37
September 30, 2006	\$ 4.85	\$ 4.77
December 31, 2006	\$ 5.56	\$ 5.18
March 31, 2007	\$ 8.36	\$ 5.21
June 30, 2007 (through May 23, 2007)	\$ 10.60	\$ 7.48

S-18

Table of Contents

## Dividend policy

At the present time, we intend to retain most of our available earnings generated by operations for the development and growth of the business. In addition, the terms and provisions of our current secured credit facility and the indenture governing our senior notes limit our ability to pay dividends. However, subject to the terms of our debt, our board of directors may from time to time consider the payment of dividends and has declared a quarterly cash dividend of \$0.0666 per common share each quarter, commencing with the fourth quarter of 2005, aggregating \$20.8 million over such period. In addition, on May 14, 2007, we declared a dividend of \$0.0666 per common share, payable on June 15, 2007 to record holders as of the close of business on May 31, 2007. Our board of directors may review and amend our dividend policy from time to time in light of our plans for future growth, capital needs and other factors.

Our credit facility and the indenture governing our senior notes permit us to pay quarterly dividends of \$0.0666 per common share so long as no payment default or event of default has occurred and is continuing thereunder and also permit us to pay additional dividends in an amount equal to (i) 50% of consolidated net income, as defined, from October 1, 2006, and (ii) 100% of the net cash proceeds from the sale of qualified capital stock after December 18, 2006, including the net proceeds of this offering, provided that no default or event of default has occurred and is

continuing and our fixed charge coverage ratio, as defined, would have been at least 2.0 to 1.

Marshall Islands law generally prohibits the payment of dividends other than from surplus (retained earnings and the excess of consideration received for the sale of shares above the par value of the shares) or while a company is insolvent or would be rendered insolvent by the payment of such a dividend.

S-19

## Table of Contents

### Capitalization

The following table sets forth our consolidated capitalization as of March 31, 2007:

- on an actual basis; and
- on an as adjusted basis giving effect to our issuance and sale of 11,500,000 shares of common stock in this offering at the offering price of \$10.00 per share, and the application of those net proceeds as described under “Use of proceeds.”

March 31, 2007

(Thousands of U.S. Dollars)

Debt:

	Actual	As Adjusted(1)
Current portion of long-term debt	\$ 13,415	\$ 13,415
Total long-term debt, net of current portion	321,130	321,130
Senior notes	298,007	298,007
Total debt	632,552	632,552
Stockholders' equity:		
Preferred stock, \$0.0001 par value, authorized 1,000,000 shares. None issued		
Common stock, \$0.0001 par value, authorized 250,000,000 shares. 82,013,654 issued and outstanding	8	9
Additional paid-in capital	342,747	451,213
Accumulated other comprehensive income	(7,362)	(7,362)
Retained earnings	17,169	17,169
Total stockholders' equity	352,562	461,029
Total capitalization	\$ 985,114	\$ 1,093,581

(1) Assumes no exercise of the underwriters' over-allotment option.

S-20

## Table of Contents

Management's discussion and analysis of financial condition and results of operations

The following management's discussion and analysis should be read in conjunction with our consolidated financial statements and their notes incorporated by reference herein. This discussion contains forward-looking statements that reflect our current views with respect to future events and financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as those set forth in the section entitled "Risk factors" and elsewhere in this prospectus supplement and accompanying prospectus. For additional information relating to our management's discussion and analysis of financial condition and results of operation, please see our Annual Report on form 20-F for the year ended 2006 and our form 6-K for the period ended March 31, 2007 incorporated by reference herein.

Overview-

Factors Affecting Navios' Results of Operations:

Navios 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 contracts of affreightment ("CoAs"); (iii) monitoring the financial impact of corporate exposure from both physical and forward freight agreements ("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.

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

- **Market Exposure:** Navios manages the size and composition of its fleet, by chartering and owning vessels, to adjust to anticipated changes in market rates. Navios aims at achieving an appropriate balance between owned vessels and long- and short-term charter-in vessels and controls approximately 3.8 million dwt in dry bulk tonnage. Navios' options to extend the duration of vessels it has under long-term time charters (durations of over 12 months) and its purchase options on chartered vessels permit Navios 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.

S-21

---

Table of Contents

•

Time Charter Equivalents rates (“TCE”): TCE rates are defined as voyage and time charter revenues plus gains or losses on FFAs less voyage expenses during a period divided by the number of available days during the period. Navios includes the gains or losses on FFAs in the determination of TCE rates as neither voyage and time charter revenues nor gains or losses on FFAs are evaluated in isolation. Rather, the two are evaluated together to determine total earnings per day. 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.

#### Voyage and Time Charter

Revenues are driven primarily by the number 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 charter;
- decisions relating to vessel acquisitions and disposals;
- the amount of time spent positioning vessels;
- the amount of time that vessels spend in dry-dock undergoing repairs and upgrades;
- the age, condition and specifications of the vessels; and
- the aggregate level of supply and demand in the dry bulk shipping industry.

Time charters are available for varying periods, ranging from a single trip (spot charter) to long-term which may be many years. 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.

Consistent with industry practice, Navios 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 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’ owned fleet, as of March 31, 2007, is 6.0 years. But as such fleet ages or if Navios 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, Contracts of Affreightment (CoAs) and Forward Freight Agreements (FFAs)

Navios enhances vessel utilization and profitability through a mix of voyage charters, short-term charter-out contracts, CoAs and strategic backhaul cargo contracts, as follows:

- The operation of voyage charters or spot charter-out fixtures for the carriage of a single cargo between load and discharge port;

### Table of Contents

- The use of CoAs, under which Navios contracts to carry a given quantity of cargo between certain load and discharge ports within a stipulated time frame; and
- The use of FFAs both as economic hedges in reducing market risk on specific vessels, freight commitments or the overall fleet and in order to increase or reduce the size of its exposure to the dry bulk shipping market.

In addition, Navios attempts, by entering into CoAs on what would normally be backhaul or ballast legs, to enhance vessel utilization and profitability. The cargoes are, in such cases, used to position vessels at or near major loading areas (such as the U.S. Gulf) where spot cargoes can readily be obtained. This reduces ballast time as a percentage of the round voyage. This strategy is referred to as triangulation.

Navios enters into CoAs with major industrial end users of bulk products, primarily in the steel, energy and grain sectors. These contracts are entered into not only with a view to making profit but also as a means of maintaining relationships, obtaining market information and continuing a market presence in this market segment. Navios has adopted a strategy of entering into CoAs to carry freight into known loading areas, such as the U.S. Gulf and the Gulf of St. Lawrence, where subsequent spot or voyage charters can be obtained.

Navios enters into dry bulk shipping FFAs as economic hedges relating to identifiable ship and or cargo positions and as economic hedges of transactions we expect to carry out in the normal course of our shipping business. By utilizing certain derivative instruments, including dry bulk shipping FFAs, we manage the financial risk associated with fluctuating market conditions. In entering into these contracts, we assume the risk that might arise from the possible inability of counterparties to meet the terms of their contracts.

As of March 31, 2007 and as of December 31, 2006, 2005 and 2004, none of the “marked to market” positions of the open dry bulk FFA contracts qualified for hedge accounting treatment. The balance of other comprehensive income as of March 31, 2007 and as of December 31, 2006, relates to six FFAs that qualified for hedge accounting treatment during 2006. Dry bulk FFAs traded by us that do not qualify for hedge accounting are shown at fair value through the statement of operations.

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 NOS ASA, a Norwegian clearing house and LCH the London Clearing House. FFAs are settled in cash monthly, based on publicly quoted indices.

NOS ASA and LCH call for both base and margin collaterals, which are funded by Navios, and which in turn substantially eliminate counterparty risk. Certain portions of these collateral funds may be restricted at any given time, as determined by NOS ASA and LCH.

At the end of each calendar quarter, the fair value of FFAs traded over-the-counter are determined from an index published in London, United Kingdom and the fair value of those FFAs traded with NOS ASA and LCH are determined from the NOS and LCH valuations accordingly. Navios 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 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 does not have discrete financial information to evaluate the operating results for each such type of charter. Although revenue can be identified for these types of charters, management cannot and does not identify expenses, profitability or other financial information for these charters. As a result, Navios reviews operating results solely by revenue per day and operating results of the owned and chartered-in fleet and, thus, Navios has determined that it has two reportable segments,

S-23

---

## Table of Contents

Vessel Operations and Port Terminal. The reportable segments reflect the internal organization of Navios and strategic businesses that offer different products and services. The Vessel Operations business consists of transportation and handling of bulk cargoes through ownership, operation and trading of vessels, freight and FFAs. The Port Terminal business consists of operating a port and transfer station terminal. Navios measures segment performance based on net income.

### Recent Accounting Pronouncements

In February 2006, the Financial Accounting Standard Board issued Statement of Financial Accounting Standards No. 155 (SFAS 155) “Accounting for Certain Hybrid Instruments — an amendment of FASB Statements No. 133 and 140”. SFAS 155 amends SFAS 133 to permit fair value measurement for certain hybrid financial instruments that contain an embedded derivative, provides additional guidance on the applicability of SFAS 133 and SFAS 140 to certain financial instruments and subordinated concentrations of credit risk. SFAS 155 is effective for the first fiscal year that begins after September 15, 2006. This statement was effective as to Navios for the fiscal year beginning on January 1, 2007 and did not have a material effect on its consolidated financial statements.

In March 2006, the Financial Accounting Standard Board issued Statement of Financial Accounting Standards No. 156 (SFAS 156) “Accounting for Servicing of Financial Assets — an amendment of FASB Statement No. 140”. SFAS 156 amends SFAS 140 requiring that all separately recognized servicing assets and servicing liabilities be measured at fair value, if practicable. SFAS 156 also permits, but does not require, the subsequent measurement of servicing assets and servicing liabilities. SFAS 156 is effective for the first fiscal year that begins after September 15, 2006. This statement was effective for Navios for the fiscal year beginning on January 1, 2007 and did not have a material effect on its consolidated financial statements.

In June 2006, the Financial Accounting Standard Board issued FIN 48 “Accounting for Uncertainty in Income Taxes”, an interpretation of FASB Statement 109. This interpretation clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements in accordance with FASB Statement No. 109, Accounting for Income Taxes. This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. This interpretation was effective for Navios for the fiscal year beginning on January 1, 2007 and did not have a material effect on its consolidated financial statements.

In September 2006, the Financial Accounting Standard Board issued Statement of Financial Accounting Standards No. 157 (SFAS 157) “Fair Value Measurement”. SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP) and expands disclosures about fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. Earlier application is encouraged, provided that the

reporting entity has not yet issued financial statements for that fiscal year, including financial statements for an interim period within that fiscal year. The provisions of SFAS 157 should be applied prospectively as of the beginning of the fiscal year in which it is initially applied except for certain cases where it should be applied retrospectively. The adoption of this accounting standard is not expected to have a material effect on the consolidated financial statements. This statement will be effective as to Navios for the fiscal year beginning on January 1, 2008.

In February 2007, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 159 (SFAS 159) ‘‘The Fair Value Option for Financial Assets and Financial Liabilities’’. SFAS 159 permits the entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. This Statement is expected to expand the use of fair value measurement, which is consistent with the Board’s long-term measurement objectives for accounting for financial

S-24

---

## Table of Contents

instruments. SFAS 159 is effective as of the beginning of an entity’s first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year on or before November 15, 2007, provided the entity also elects to apply the provisions of FASB Statement No. 157, ‘‘Fair Value Measurements’’. The adoption of this accounting standard is not expected to have a material effect on our consolidated financial statements.

### Critical Accounting Policies

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, or US GAAP. The preparation of these financial statements requires Navios to make estimates in the application of its accounting policies based on the best assumptions, judgments and opinions of management. Following is a discussion of the accounting policies that involve a higher degree of judgment and the methods of their application that affect the reported amount of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities at the date of its financial statements. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting policies are those that reflect significant judgments or uncertainties, and potentially result in materially different results under different assumptions and conditions. Navios has described below what it believes are its most critical accounting policies that involve a high degree of judgment and the methods of their application. For a description of all of our significant accounting policies, see Note 2 to the consolidated financial statements included in our 2006 annual report filed on Form 20-F with the Securities Exchange Commission.

Accounting for derivative financial instruments and hedge activities: We enter into dry bulk shipping FFAs as economic hedges relating to identifiable ship and/or cargo positions and as economic hedges of transactions we expect to carry out in the normal course of our shipping business. By utilizing certain derivative instruments, including dry bulk shipping FFAs, we manage the financial risk associated with fluctuating market conditions. In entering into these contracts, we assume the risk that might arise from the possible inability of counterparties to meet the terms of their contracts.

We also trade dry bulk shipping FFAs which are cleared through NOS ASA and LCH. NOS ASA and LCH call for both base and margin collaterals, which are funded by Navios, and which in turn substantially eliminates counterparty risk. Certain portions of these collateral funds may be restricted at any given time as determined by NOS ASA and LCH. See further discussion under ‘‘Spot Charters, Contracts of Affreightment (CoAs) and Forward Freight

Agreements (FFAs)”. At the end of each calendar quarter, the fair value of dry bulk 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 NOS ASA and LCH are determined from the NOS and LCH valuations accordingly.

Pursuant to SFAS 133, Navios records its derivative financial instruments and hedges as economic hedges except for those qualifying for hedge accounting. Gains or losses of instruments qualifying for hedge accounting are reflected under “Accumulated Other Comprehensive Income (Loss)” in stockholders’ equity, while those instruments that do not meet the criteria for hedge accounting are reflected in the statement of operations. For FFAs that qualify for hedge accounting the changes in fair values of the effective portion representing unrealized gains or losses are recorded in “Accumulated Other Comprehensive Income (Loss)” in the stockholders’ equity while the unrealized gain or losses of the FFAs not qualifying for hedge accounting together with the ineffective portion of those qualifying for hedge accounting are recorded in the statement of operations under “Gain (Loss) on Forward Freight Agreements”. The gains/(losses) included in “Accumulated Other Comprehensive Income (Loss)” will be reclassified to earnings under “Revenue” in the statement of operations in the same period or periods during which the hedged forecasted transaction affects earnings. The reclassification to earnings will extend until December 31, 2007, depending on the period or periods during which the hedged

S-25

---

## Table of Contents

forecasted transactions will affect earnings and commenced in the third quarter of 2006. The amount of losses included in “Accumulated Other Comprehensive Income (Loss)” as of March 31, 2007, which is expected to be reclassified to earnings until December 31, 2007, is \$7.4 million. For the three month period ended March 31, 2007, the gains (losses) included in “Accumulated Other Comprehensive Income (Loss)” that have been reclassified to earnings amounted to \$2.5 million. At March 31, 2007 and December 31, 2006, none of the FFAs, foreign exchange contracts or interest rate swaps qualified for hedge accounting and, accordingly, all unrealized gains or losses were recorded in the statement of operations.

**Impairment of long-lived assets:** Vessels, other fixed assets and other long lived assets held and used by us are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable. In accordance with FAS 144, management reviews valuations and compares them to the asset’s carrying amounts. Should the valuations indicate potential impairment, management determines projected undiscounted cash flow for each asset and compares it to its carrying amount. In the event that impairment occurs, an impairment charge is recognized by comparing the asset’s carrying amount to its estimated fair value. For the purposes of assessing impairment, long lived-assets are grouped at the lowest levels for which there are separately identifiable cash flow. No impairment loss was recognized for any of the periods presented.

**Vessels, net:** In connection with our acquisition/reincorporation, vessels owned by Navios (Predecessor) were recorded at fair market values as of August 25, 2005. Vessel acquisitions acquired outside of business combinations are stated at cost, which consists of the contract price, and any material expenses incurred upon acquisition (improvements and delivery expenses). Subsequent expenditures for major improvements and upgrading are capitalized, provided they appreciably extend the life, increase the earning capacity, or improve the efficiency or safety of the vessels. Expenditures for routine maintenance and repairs are expensed as incurred.

Depreciation is computed using the straight line method over the useful life of the vessels, after considering the estimated residual value. Management estimates the useful life of our vessels to be 25 years from the vessel’s original construction. However, when regulations place limitations over the ability of a vessel to trade on a worldwide basis,

its useful life is re-estimated to end at the date such regulations become effective.

**Dry-docking costs:** Our vessels are subject to regularly scheduled dry-docking and special surveys, which are carried out every 30 or 60 months to coincide with the renewal of the related certificates issued by the Classification Societies, unless a further extension is obtained in rare cases and under certain conditions. The costs of dry-docking and special surveys are deferred and amortized over the above periods or, to the next dry-docking or special survey date if such has been determined. Unamortized dry-docking or special survey costs of vessels sold are written off to income in the year the vessel is sold. When vessels are acquired, the portion of the vessels' capitalized cost that relates to dry-docking or special survey is treated as a separate component of the vessels' cost and is deferred and amortized as above. This cost is determined by reference to the estimated economic benefits to be derived until the next dry-docking or special survey.

**Goodwill and Other Intangible Assets and Liabilities:** As required by SFAS No. 142 "Goodwill and Other Intangible Assets", goodwill acquired in a business combination initiated after June 30, 2001 is not to be amortized. Similarly, intangible assets with indefinite lives are not amortized. Rather, SFAS 142 requires that goodwill be tested for impairment at least annually and written down with a charge to operations if the carrying amount exceeds the estimated fair value.

Navios evaluates impairment of goodwill using a two-step process. First, the aggregate fair value of the reporting unit is compared to its carrying amount, including goodwill. If the fair value exceeds the carrying amount, no impairment exists. If the carrying amount of the reporting unit exceeds the fair value, then the implied fair value of the reporting unit's goodwill is compared with its carrying amount. The implied fair value is determined by allocating the fair value of the reporting unit to all the assets and liabilities of that unit, as if the unit had been acquired in a

S-26

---

## Table of Contents

business combination and the fair value of the unit was the purchase price. If the carrying amount of the goodwill exceeds the implied fair value, then goodwill impairment is recognized by writing the goodwill down to the implied fair value. Navios determined that there was no impairment of goodwill during any periods presented.

Navios' intangible assets and liabilities acquired in connection with business combinations were valued in a process that included the use of independent appraisers. The fair value of the trade name was determined based on the "relief from royalty" method that values the trade name based on the estimated amount that a company would have to pay in an arms length transaction in order to use that trade name. The asset is being amortized under the straight line method over 32 years. Other intangible assets and liabilities that are being amortized, such as the amortizable portion of favorable leases, port terminal operating rights, backlog assets and liabilities, would be considered impaired if their fair market value could not be recovered from the future undiscounted cash flow associated with the asset. Vessel purchase options held by Navios, which are included in favorable lease terms, are not amortized and would be considered impaired if the carrying value of an option, when added to the option price of the vessel, exceeded the fair market value of the vessel. Vessel purchase options held by third parties that are included in unfavorable leases for vessels owned by Navios or vessels that Navios charters in with an option to purchase are also not amortized. The liability for purchase options held by third parties will be included in the gain or loss on the sale of the vessel when the option is exercised.

The intangible asset associated with the favorable lease terms includes \$57.2 million related to purchase options for the vessels, consisting of \$20.7 million as of August 25, 2005 and \$36.5 million from the acquisition of Kleimar. This

\$57.2 million is not amortized and, should the purchase options be exercised, the portion of this asset will be capitalized as part of the cost of the vessel and will be depreciated over the remaining useful life of the vessel. As of March 31, 2007, \$8.6 million, had been transferred to the acquisition cost of vessels. The liability associated with unfavorable lease liabilities includes an amount of \$15.9 million related to purchase options held by third parties, arising from the acquisition of Kleimar. This amount is not amortized and should the purchase options be exercised by the third party, the portion of this liability will be included in the gain or loss on the sale of the vessel when the option is exercised. As of March 31, 2007, no amount had been transferred to gain or loss.

**Leases:** Vessel leases where Navios is regarded as the lessor are classified as either finance leases or operating leases based on an assessment of the terms of the lease. For charters classified as finance type leases the minimum lease payments are recorded as the gross investment in the lease. The difference between the gross investment in the lease and the sum of the present values of the two components of the gross investment is recorded as unearned income which is amortized to income over the lease term as finance lease interest income to produce a constant periodic rate of return on the net investment in the lease.

**Deferred taxation:** The asset and liability method is used to account for future income taxes. Under this method, future income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts and the tax bases of assets and liabilities. Future income tax assets and liabilities are measured using substantively enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the substantive enactment date. Future income tax assets are recognized to the extent that realization is considered more likely than not.

Period over period comparisons

For the three month period ended March 31, 2007 compared to three month period ended March 31, 2006

The following table presents consolidated revenue and expense information for the three month periods ended March 31, 2007 and 2006. This information was derived from the unaudited

S-27

Table of Contents

consolidated revenue and expense accounts of Navios for the respective periods.

	Three month period ended	
	2007	March 31, 2006
	(unaudited)	(unaudited)
	(Thousands of U.S. Dollars)	
Revenue	\$ 101,842	\$ 49,169
Gain on Forward Freight Agreements	2,854	1,662
Time charter, voyage and port terminal expenses	(60,440)	(20,767)
Direct vessel expenses	(6,158)	(3,673)
General and administrative expenses	(4,293)	(3,596)

Edgar Filing: Navios Maritime Holdings Inc. - Form 424B5

Depreciation and amortization	(6,977)	(10,120)
Interest income from investments in finance lease	560	—
Interest income	1,523	468
Interest expense and finance cost, net	(13,471)	(9,206)
Other income	168	934
Other expense	(474)	(43)
Income before equity in net earnings of affiliate companies and joint ventures	15,134	4,828
Equity in net Earnings of Affiliated Companies and Joint Ventures	828	154
Net income before taxes	15,962	4,982
Income taxes	(1,179)	—
Net income after taxes	\$ 14,783	\$ 4,982

Set forth below are selected historical and statistical data for Navios, that we believe may be useful in better understanding our financial position and results of operations.

	Three month period ended	
	2007	March 31, 2006 <sup>(1)</sup>
Fleet Data		
Available days <sup>(2)</sup>	3,876	2,390
Operating days	3,875	2,385
Fleet utilization	100.0%	99.8%
AVERAGE DAILY RESULTS		
Time Charter Equivalents (including FFAs)	\$ 21,080	\$ 18,530
Time Charter Equivalents (excluding FFAs)	\$ 20,869	\$ 17,835

(1) Excludes vessels acquired through the acquisition of Kleimar.

(2) Navios has currently fixed out (i.e. arranged charters for) 92.4% and 65.0% of its 2007 and 2008 available days, respectively (excluding Kleimar's fleet).

During the three month period ended March 31, 2007, there were 1,486 more available days as compared to the same period of 2006. This was due to the increase in the number of vessels in our owned fleet by six vessels (three vessels acquired through the exercise of options from the charter-in fleet and three vessels from the acquisition of Kleimar) resulting in 447 additional days. The increase of the charter-in fleet by nine vessels during the first quarter of 2007 (two new vessels from the charter-in fleet to be delivered and seven vessels from the acquisition of Kleimar), further increased the available days by 1,039 days. Navios can increase or decrease its fleet's size by chartering-in vessels for long or short-term periods (less than one year). Fleet size and the corresponding "available days" will be decreased if charters are not renewed or replaced.

S-28

Table of Contents

The average TCE rate excluding FFAs for the three month period ended March 31, 2007 was \$21,080 per day, \$2,550 per day higher than the rate achieved in the same period of 2006. This was primarily due to the improvement in the freight market resulting in higher charter-out daily rates in the first quarter of 2007 than those achieved in the first

quarter of 2006 and the Capesize vessels (with significantly higher rates) acquired as part of the acquisition of Kleimar.

**Revenue:** Revenue increased to \$101.8 million for the three month period ended March 31, 2007 as compared to the \$49.2 million for the same period of 2006. Revenues from vessel operations increased by approximately \$52.3 million or 108.7% to \$100.4 million for the three month period ended March 31, 2007 from \$48.1 million for the same period of 2006. This increase is mainly attributable to the increase in the operating days by 1,486 days as discussed above, as well as the improvement in the market resulting in higher charter-out daily hire rates in the first quarter of 2007 as compared to the same period of 2006 (as indicated in the table below), and an increase in the number of CoAs serviced by Navios (acquired as part of the acquisition of Kleimar).

Revenue from the port terminal increased by \$0.3 million to \$1.4 million for the three month period ended March 31, 2007 as compared to \$1.1 million in the same period of 2006. This is due to the port terminal throughput volume increase of approximately 20.4% to 391,500 tons for the three month period ended March 31, 2007 from 325,000 tons for the same period in 2006.

**Gains on FFAs:** Income from FFAs increased by \$1.2 million to a gain of \$2.9 million during the three month period ended March 31, 2007 as compared to \$1.7 million gain for the same period in 2006. Navios records the change in the fair value of derivatives at each balance sheet date. None of the FFAs qualified for hedge accounting in the periods presented. Accordingly, changes in fair value of FFAs were recognized in the statement of operations. The FFAs market has experienced significant volatility in the past few years and, accordingly, recognition of the changes in the fair value of FFAs has, and can, cause significant volatility in earnings. The extent of the impact on earnings is dependent on two factors: market conditions and Navios' net position in the market. Market conditions were volatile in both periods. As an indicator of volatility, selected Baltic Exchange Panamax time charter average rates are shown below.

	Baltic Exchange's Panamax Time Charter Average Index
January 26, 2006	\$ 13,267 (a)
March 14, 2006	\$ 19,626 (b)
March 31, 2006	\$ 17,839 (*)
January 31, 2007	\$ 31,719 (c)
March 13, 2007	\$ 41,015 (d)
March 31, 2007*	\$ 40,399 (*)

- (a) Low for Q1 – 2006  
 (b) High for Q1 – 2006  
 (c) Low for Q1 – 2007  
 (d) High for Q1 – 2007  
 (\*) End of period rate

**Time Charter, Voyage and Port Terminal Expense:** Time charter and voyage expenses increased by \$39.6 million or 190.3% to \$60.4 million for the three month period ended March 31, 2007 as compared to \$20.8 million for same period in 2006. This was primarily due to the higher charter-in expenses relating to Capesize vessels (Capesize Baltic Exchange's time charter average index as of March 31, 2007 was \$91,997 per day as compared to the respective Panamax index which was \$40,399 per day) and servicing the related CoA business following the acquisition of Kleimar as well as the increase in the market, which negatively affected the charter-in daily hire

---

Table of Contents

rate cost for the long-term charter-in fleet from \$9,323 per day in the first quarter of 2006 to \$10,272 per day for the same period of 2007. This increase was mitigated by the redelivery of higher cost charter-in vessels and the exercise of purchase options that resulted in the expansion of the owned fleet.

**Direct Vessel Expenses:** Direct vessel expenses for operation of the owned fleet increased by \$2.5 million to \$6.2 million or 67.5% for the three month period ended March 31, 2007 as compared to \$3.7 million for the same period in 2006. Direct vessel expenses include crew costs, provisions, deck and engine stores, lubricating oils, insurance premiums and maintenance and repairs. The increase resulted primarily from additional costs related to increase of the owned fleet by three vessels compared to the first quarter of 2006.

**General and Administrative Expenses:** General and administrative expenses increased by \$0.7 million to \$4.3 million or 19.4% for the three month period ended March 31, 2007 as compared to \$3.6 million for the same period of 2006. The increase is mainly attributable to (a) increase in payroll and related costs in connection with the expansion of Navios' fleet, (b) increase in professional, legal and audit fees and traveling due to the additional costs incurred by Navios in connection with acquisitions and other activities.

**Depreciation and Amortization:** For the three month period ended March 31, 2007, the decrease in depreciation and amortization compared to the same period in 2006 is attributable to the decline in the amortization of intangible assets, due to the transfer of the unamortized balance of favorable leases to vessel cost upon exercise of purchase options, which was mitigated by the increase in depreciation due to the acquisition of three vessels. The main decrease, amounting to \$2.2 million, relates to net positive amortization of intangible assets and liabilities associated with the acquisition of Kleimar. The overall decrease in depreciation and amortization was \$3.1 million. See further discussion of Navios' amortization policy under "Liquidity and Capital Resources".

**Interest Income from Investments in Finance Leases:** Interest income from investments in finance leases amounted to \$0.6 million and relates to the acquisition of Kleimar (see Note 3 to the condensed notes to our consolidated financial statements incorporated by reference herein). No investment in finance lease existed during the corresponding period of the previous year.

**Net Interest Expense and Income:** Interest expense for the three month period ended March 31, 2007 increased to \$13.5 million as compared to \$9.2 million in the same period of 2006. The increase is due to bank secured facilities obtained to partially finance the acquisition of new vessels and Kleimar and the issuance of \$300 million of senior notes. Interest income increased by \$1.0 million to \$1.5 million for the three month period ended March 31, 2007 as compared to \$0.5 million for the same period of 2006. This is mainly attributable to the increase in the average cash balances from \$44.7 million in the first quarter of 2006 to \$121.6 million in the same period of 2007.

**Other Income:** Other income decreased by \$0.7 million to \$0.2 million for the three month period ended March 31, 2007, compared to the same period 2006. This decrease is mainly due to unfavorable marked to market losses realized on the interest rate swaps between the two periods.

**Net Other Expense:** Other expense increased by \$0.5 million for the three month period ended March 31, 2007. This change is mainly due to lower foreign exchange losses realized from the settlement of payables raised in currencies other than U.S. dollars during the period.



Edgar Filing: Navios Maritime Holdings Inc. - Form 424B5

For the year ended December 31, 2006 compared to the combined year ended December 31, 2005

The following table presents consolidated revenue and expense information for the year ended December 31, 2006 and combined revenue and expense information for the year ended December 31, 2005. This information was derived from the audited consolidated revenue and expense accounts of Navios as predecessor for the period from January 1 to August 25, 2005 and

S-30

Table of Contents

from the audited consolidated revenue and expense accounts of Navios as successor for the period from August 26 to December 31, 2005 and for the year ended December 31, 2006.

The combined revenue and expense is being presented solely to assist comparisons across the years. The successor period for 2005 in the combined statement of cash flow includes the effect of fair value purchase accounting adjustments. The successor and predecessor periods in the combined revenue and expense accounts are not comparable as the successor period revenue and expense accounts include increases to certain charges. The principle increases relate to amortization of intangible assets and increased depreciation, all of which arise as a result of recognizing an increase in the fair value of the assets and liabilities acquired from Navios, and increased interest charges arising as a consequence of additional indebtedness to finance the acquisition.

The combined information is a Non-GAAP financial measure and should not be used in isolation or substitution of the Predecessor and Successor results.

	Successor Year ended December 31, 2006	Successor August 26, 2005 to December 31, 2005	Predecessor January 1, 2005 to August 25, 2005	Combined Year ended December 31, 2005
	(Thousands of U.S. Dollars)			
Revenue	\$205,965	\$76,376	\$158,630	\$235,006
Gain (loss) on FFA's	19,786	(2,766)	2,869	103
Time charter, voyage and port terminal expenses	(84,717)	(39,119)	(91,806)	(130,925)
Direct vessel expenses	(19,863)	(3,137)	(5,650)	(8,787)
General and administrative expenses	(14,565)	(4,582)	(9,964)	(14,546)
Depreciation and amortization	(37,719)	(13,582)	(3,872)	(17,454)
Provision for losses on accounts receivable	(6,242)	(411)	—	(411)
Interest income	3,832	1,163	1,350	2,513
Interest expense	(47,429)	(11,892)	(1,677)	(13,569)
Other income	1,819	52	1,426	1,478
Other expense	(472)	(226)	(757)	(983)
	20,395	1,876	50,549	52,425

Income before equity in net earnings of affiliated companies

Equity in net earnings of affiliated companies	674	285	788	1,073
Net income	\$21,069	\$2,161	\$51,337	\$53,498

Set forth below are selected historical and statistical data for Navios successor company (2006) and for the combined company (2005), that we believe may be useful in better understanding our financial position and results of operations.

	Year ended December 31,	
	2006	2005
Fleet Data		
Available days (*)	10,382	9,147
Operating days	10,333	9,110
Fleet utilization	99.5%	99.6%
Average Daily Results		
Time Charter Equivalents (including FFAs)	\$ 18,812	\$ 22,771
Time Charter Equivalents (excluding FFAs)	\$ 16,906	\$ 22,760

\* Navios has currently fixed out (i.e. arranged charters for) 92.4% and 65.0% of its 2007 and 2008 available days, respectively (excluding Kleimar's fleet).

Note: The acquisition of Kleimar N.V. was consummated February 2, 2007 and, accordingly, none of its results are reflected in the data above or elsewhere relating to the periods ended December 31, 2006 or prior thereto.

S-31

## Table of Contents

During the year ended December 31, 2006, there were 1,235 more available days as compared to 2005. This was due to the increase in the number of owned vessels resulting in 3,333 additional days. The increase, however, was mitigated by the redelivery of charter-in vessels during 2006 and 2005, following the expiration of their charters, reducing the available days by 2,097 days. Navios has been able to increase or decrease its fleet's size by chartering-in vessels for long or short-term periods (less than one year). Fleet size and the corresponding "available days" will be decreased if charters are not renewed or replaced.

The average TCE rate excluding FFAs for the year ended December 31, 2006 was \$16,906 per day, \$5,854 per day lower than the rate achieved in 2005. This was primarily due to a decline in the average time charter market resulting in lower charter-out daily rates in 2006 than those achieved in 2005.

Revenue: Revenue decreased to \$206.0 million for the year ended December 31, 2006 as compared to the \$235.0 million for the combined year ended December 31, 2005. Navios earns revenue from both owned and chartered-in vessels, contracts of affreightment and the port terminal operations. Revenues from vessel operations decreased by approximately \$29.6 million or 13.0% to \$197.4 million for the year ended December 31, 2006 from \$227.0 for the year ended December 31, 2005. This decrease is mainly attributable to a decline in the average time charter market resulting in lower charter-out daily hire rates in 2006 as compared to 2005, which was partially mitigated by the increase in available days as discussed above.

Revenues from the port terminal increased by \$0.5 million to \$8.6 million for the year ended December 31, 2006 as compared to \$8.1 million in 2005. Port terminal throughput volume increased approximately 7.8% to 2.22 million tons of agricultural and other products for the year ended December 31, 2006 from 2.06 million tons for the year ended December 31, 2005.

Gains and Losses on FFAs: Income from FFAs increased by \$19.7 million to a gain of \$19.8 million during the year ended December 31, 2006 as compared to \$0.1 million for the year ended December 31, 2005. Navios records the change in the fair value of derivatives at each balance sheet date. The changes in fair values of the effective portion of FFAs qualifying for hedge accounting, representing unrealized gains or losses at December 31, 2006, of \$9.8 million were recorded in "Accumulated Other Comprehensive Income/(Loss)" in the stockholders' equity while the unrealized gains or losses of the remaining FFAs not qualifying for hedge accounting together with the ineffective portion of these qualifying for hedge accounting of \$4.0 million loss, were recorded in the statement of operations under "Gain/(Loss) on Forward Freight Agreements". The gains/ (losses) included in "Accumulated Other Comprehensive Income/ (Loss)" are reclassified to earnings under "Revenue" in the statement of operations in the same period or periods during which the hedged forecasted transactions affect earnings. On this basis, approximately \$4.2 million have been reclassified to earnings during the year ended December 31, 2006. The FFAs market has experienced significant volatility in the past few years and, accordingly, recognition of the changes in the fair value of FFAs has, and can, cause significant volatility in earnings. The extent of the impact on earnings is dependent on two factors: market conditions and Navios' net position in the market. Market conditions were volatile in both years. As an indicator of volatility, selected Baltic Exchange Panamax time charter average rates are shown below.

	Baltic Exchange's Panamax Time Charter Average Index
March 14, 2005	\$ 40,842(1)
August 3, 2005	\$ 10,162(2)
January 26, 2006	\$ 13,267(3)
December 6, 2006	\$ 35,713(4)

(1) High for fiscal year 2005

(2) Low for fiscal year 2005

(3) Low for fiscal year 2006

(4) High for fiscal year 2006

S-32

---

Table of Contents

Time Charter, Voyage and Port Terminal Expense: Time charter and voyage expenses decreased by \$46.6 million or 35.5% to \$84.7 million for the year ended December 31, 2006 as compared to \$131.3 million for the year ended December 31, 2005. This was primarily due to (a) the decline in the market which positively affected the average charter-in daily hire rate cost from \$15,582 per day for fiscal year 2005 to \$9,480 per day for fiscal year 2006, (b) the redelivery of higher cost charter-in vessels and the exercise of purchase options that resulted in the expansion of the owned fleet and (c) the reduction of port expenses and fuel consumption cost due to more vessels employed under

time charters in 2006, whereby these costs were borne by the charterers, as compared to 2005.

**Direct Vessel Expenses:** Direct vessel expenses for operation of the owned fleet increased by \$11.1 million to \$19.9 million or 126.1% for the year ended December 31, 2006 as compared to \$8.8 million for the year ended December 31, 2005. Direct vessel expenses include crew costs, provisions, deck and engine stores, lubricating oils, insurance premiums, maintenance and repairs. This resulted primarily from the increase of the owned fleet by 11 vessels during the period since Navios' acquisition in August 2005 (six vessels were acquired in 2006).

**General and Administrative Expenses:** General and administrative expense slightly increased by \$0.1 million or 0.7% to \$14.6 million for the year ended December 31, 2006 as compared to \$14.5 million for the year ended December 31, 2005. However, excluding the transaction costs of approximately \$3.7 million incurred in connection with the sale of Navios during 2005, general and administrative expenses show an increase of 35.2% or \$3.7 million for the year ended December 31, 2006 as compared to year ended December 31, 2005. This increase is mainly attributable to (a) \$0.9 million increase in payroll and related costs, (b) \$1.9 million increases in professional, legal and audit fees and traveling costs due to the additional costs incurred by Navios as a public company and (c) \$0.9 million increased office expenses as a result of our move to the new offices and other expenses related to being a public company.

**Depreciation and Amortization:** Depreciation and amortization are not directly comparable for the consolidated year ended December 31, 2006 and the combined year ended December 31, 2005. As part of the acquisition of Navios by ISE on August 25, 2005, the dry bulk fleet and port terminal facilities were recorded at their fair market values. The adjusted fixed assets values are being depreciated over the remaining economic useful lives of the individual assets. Amortization for the period from August 26, 2005 onward also includes amortization of the intangible assets recorded on August 25, 2005 as a result of the acquisition of Navios by ISE, with the exception of vessel purchase options and goodwill which are not amortized. For the year ended December 31, 2006, the increase in annual depreciation expense is attributable to the acquisition of 11 vessels since August 26, 2005 (five acquired in the fourth quarter of 2005) having a \$12.4 million effect, with the remaining being the effect of the accounting treatment discussed above. See further discussion of Navios' amortization policy "Results of Operations" and "Critical Accounting Policies".

**Provision for Losses on Accounts Receivable:** On November 30, 2006, we received notification that one of our FFA trading counterparties filed for bankruptcy in Canada. Our exposure to such counterparty as of December 31, 2006 was approximately \$7.7 million. While it is too early to determine what recovery Navios may obtain in any liquidation proceeding, it has accrued \$5.4 million in its 2006 financial statements.

**Net Interest Expense and Income:** Interest expense from August 26, 2005 to December 31, 2006 increased as compared to periods prior to August 25, 2005 due to the new debt incurred on August 25, 2005 to finance the acquisition of Navios by ISE, its restructuring on December 21, 2005, the additional debt incurred for the acquisition of additional vessels and the senior notes issued in December 2006, \$290.0 million of the net proceeds of which were used to prepay in full three tranches of approximately \$241.1 million and on a pro-rata basis, the remaining tranches of the existing senior secured credit facility. As a result, interest expense for the year ended December 31, 2006 is not directly comparable to the same combined period of 2005. Interest income increased by \$1.3 million to \$3.8 million for the year ended December 31, 2006 as

S-33

compared to \$2.5 million for the year ended December 31, 2005. Although the average cash balances decreased from \$91.5 million in 2005 to \$88.2 million in 2006, interest increased as a result of the higher weighted average interest rate of 5.0% in 2006 as compared to 3.2% in 2005.

**Other Income:** Other income increased by \$0.3 million to \$1.8 million for the year ended December 31, 2006. This increase is mainly due to favorable marked to market gains realized on the interest rate swaps as the interest rates continue to increase on both the short- and long-term, as well as the reversals of provisions for arbitration claims against Navios that have been concluded in Navios' favor.

**Net Other Expense:** Other expense decreased by \$0.5 million to \$0.5 million for the year ended December 31, 2006. This change is mainly due to less realized losses on the settlement of payables raised in other currencies during the year.

For the combined year ended December 31, 2005 compared to the year ended December 31, 2004

The following table presents combined revenue and expense information for the year ended December 31, 2005 and consolidated information for the year ended December 31, 2004. The fiscal year 2005 information was derived from the audited consolidated revenue and expense accounts of Navios as predecessor for the period from January 1 to August 25, 2005 and from the audited consolidated revenue and expense accounts of Navios as successor for the period from August 26 to December 31, 2005.

The combined revenue and expense is being presented solely to assist comparisons across the years. The successor period for 2005 in the combined statement of cash flow includes the effect of fair value purchase accounting adjustments. The successor and predecessor periods in the combined revenue and expense accounts are not comparable as the successor period revenue and expense accounts include increases to certain charges. The principle increases relate to amortization of intangible assets and increased depreciation, all of which arise as a result of recognizing an increase in the fair value of the assets and liabilities acquired from Navios, and increased interest charges arising as a consequence of additional indebtedness to finance the acquisition.

The combined information is a non-GAAP financial measure and should not be used in isolation or substitution of the Predecessor and Successor results.

	Successor August 26, 2005 to December 31, 2005	Predecessor January 1, 2005 to August 25, 2005	Combined Year ended December 31, 2005	Predecessor Year ended December 31, 2004
	(Thousands of U.S. Dollars)			
Revenue	\$76,376	\$158,630	\$235,006	\$279,184
(Loss) gain on FFA's	(2,766)	2,869	103	57,746
Time charter, voyage and port terminal expenses	(39,530)	(91,806)	(131,336)	(180,026)
Direct vessel expenses	(3,137)	(5,650)	(8,787)	(8,224)
General and administrative expenses	(4,582)	(9,964)	(14,546)	(12,722)
Depreciation and amortization	(13,582)	(3,872)	(17,454)	(5,925)
Gain on sale of vessels	—	—	—	61
Interest income	1,163	1,350	2,513	789

Edgar Filing: Navios Maritime Holdings Inc. - Form 424B5

Interest expense	(11,892)	(1,677)	(13,569)	(3,450)
Other income	52	1,426	1,478	374
Other expense	(226)	(757)	(983)	(1,438)
Income before equity in net earnings of affiliated companies	1,876	50,549	52,425	126,369
Equity in net earnings of affiliated companies	285	788	1,073	763
Net income	\$2,161	\$51,337	\$53,498	\$127,132

S-34

Table of Contents

Set forth below are selected historical and statistical data for Navios as predecessor (2004) and for the combined company (2005), that we believe may be useful in better understanding our financial position and results of operations.

	Year ended December 31,	
	2005	2004
Fleet Data		
Available days	9,147	11,952
Operating days	9,110	11,900
Fleet utilization	99.6%	99.6%
Average Daily Results		
Time Charter Equivalents (including FFAs)	\$ 22,771	\$ 25,985
Time Charter Equivalents (excluding FFAs)	\$ 22,760	\$ 21,153

During the year ended December 31, 2005, there were 2,805 fewer available days as compared to 2004. This was predominantly the result of the redelivery of short-term charter-in vessels during 2005 according to the contracted redelivery terms in the chartered-in lease agreements. Compared to 2004, Navios chartered-in fewer short-term vessels on lease as management anticipated greater market volatility over the ensuing period. Navios can increase or decrease its fleet's size by chartering-in vessels for long- or short-term periods (less than one year). Fleet size and the corresponding "available days" will be decreased if charters are not renewed or replaced. Refer also to the "Factors Affecting Navios' Results of Operations".

The average TCE rate excluding FFAs for the year ended December 31, 2005 was \$22,760 per day, \$1,607 per day higher than the rate for the year ended December 31, 2004. This was primarily due to the redelivery of vessels chartered-out at lower daily rate than the average rate achieved in 2005.

Revenue: Combined revenue of the predecessor and successor companies decreased to \$235.0 million for the year ended December 31, 2005 as compared to the \$279.2 million that the predecessor company recorded for the year ended December 31, 2004. Navios earns revenue from both owned and chartered-in vessels, contracts of affreightment and the port terminal operations. Revenues from vessel operations decreased by approximately \$44.5 million or 16.4% to \$227.0 million for the year ended December 31, 2005 from \$271.5 million for the year ended December 31, 2004 as a result of a reduction in the number of vessels chartered-in and operated by Navios during 2005. Total equivalent vessels employed decreased by 23.2% from 32.7 vessels for the year ended December 31, 2004 to 25.1 for the year

ended December 31, 2005, resulting in 2,805 fewer available days.

However, the effect on revenues from the reduction in available days was mitigated by the increase achieved in 2005 TCE rate to \$22,760 per day or \$1,607 per day higher than that of 2004. Revenues from the port terminal increased by \$0.4 million to \$8.0 million for the year ended December 31, 2005 as compared to \$7.6 million in 2004. Port terminal throughput volume increased approximately 1.5% to 2.06 million tons of agricultural and other products for the year ended December 31, 2005 from 2.03 million tons for the year ended December 31, 2004. Navios was able to increase throughput primarily because of an increase in the Uruguayan and Paraguayan soybean crops in 2005 as well as increasing the silo storage capacity to 270,440 tons from September 2005 when a new silo was put into use, as compared to 205,000 tons prior to such time.

Gains and Losses on FFAs: Income from FFAs decreased by \$57.6 million to a gain of \$0.1 million during the year ended December 31, 2005 as compared to \$57.7 million for all of the year ended December 31, 2004. Due to the pending sale of Navios to ISE in 2005, the predecessor management minimized FFA trading exposure and the post acquisition successor management also maintain a similar approach. Navios records the change in the fair value of derivatives at each balance sheet date. None of the FFAs qualified for hedge accounting treatment in the

S-35

---

## Table of Contents

periods being discussed. Accordingly, changes in the fair value of FFAs were recognized in the statement of operations. The FFAs market has experienced significant volatility in the past few years and, accordingly, recognition of the changes in the fair value of FFAs has, and can, cause significant volatility in earnings. The extent of the impact on earnings is dependent on two factors: market conditions and Navios' net position in the market. Market conditions were volatile in both periods. As an indicator of volatility, selected Baltic Exchange Panamax time charter average rates are shown below.

	Baltic Exchange's Panamax Time Charter Average Index
June 22, 2004	\$ 17,838(1)
November 30, 2004	\$ 51,011(2)
March 14, 2005	\$ 40,842(3)
August 3, 2005	\$ 10,162(4)

- |     |               |
|-----|---------------|
| (1) | Low for 2004  |
| (2) | High for 2004 |
| (3) | High for 2005 |
| (4) | Low for 2005  |

Time Charter, Voyage and Port Terminal Expense: Time charter and voyage expenses decreased by \$48.7 million or 27.1% to \$131.3 million for the year ended December 31, 2005 as compared to \$180.0 million for the year ended December 31, 2004. This was primarily due to the decrease in equivalent vessels from 32.7 for the year ended

December 31, 2004 to 25.1 for the year ended December 31, 2005. The average chartered-in rate also decreased from an average of \$16,186 per day for the year ended December 31, 2004 to \$15,582 per day for the year ended December 31, 2005.

**Direct Vessel Expenses:** Direct vessel expenses for operation of the owned fleet increased by \$0.6 million to \$8.8 million or 7.3% for the year ended December 31, 2005 as compared to \$8.2 million for the year ended December 31, 2004. Direct vessel expenses include crew costs, provisions and deck and engine stores, lubricating oils, insurance premiums, maintenance and repairs. The increase resulted primarily from increased repair and maintenance costs related to normal usage and to the increase of the owned fleet by five vessels during November and December 2005.

**General and Administrative Expenses:** General and administrative expense increased by \$1.8 million or 14.2% from \$12.7 million for the year ended December 31, 2004 to \$14.5 million for the year ended December 31, 2005. This increase is attributable to (a) \$1.4 million of one-time severance payments to the former CEO, (b) \$2.3 million of transaction costs incurred in connection with the sale of Navios and (c) \$1.8 million of legal, audit, consulting and other fees borne by Navios as a publicly listed company. This increase was mitigated by a \$3.0 million reduction in payroll and office related costs.

**Depreciation and Amortization:** Depreciation and amortization are not comparable for the predecessor and successor companies. As part of the acquisition of Navios by ISE on August 25, 2005, the dry bulk fleet and port terminal facilities were recorded at their fair market values. The adjusted fixed assets values are being depreciated over the remaining economic useful lives of the individual assets. Amortization for the period from August 26, 2005 onward also includes amortization of the intangible assets recorded on August 25, 2005 as a result of the acquisition of Navios by ISE, with the exception of vessel purchase options and goodwill which are not amortized. The increase in annual depreciation and amortization expense resulting from the acquisition of Navios by ISE and related asset revaluation will be approximately \$13.6 million. See further discussion of Navios' amortization policy under "Liquidity and Capital Resources."

S-36

---

## Table of Contents

**Net Interest Expense and Income:** Interest expense from August 26, 2005 onward will increase due to the new debt incurred on August 25, 2005 and its restructuring on December 21, 2005. A substantial portion of the new debt was used to finance the acquisition of Navios by ISE and the acquisition of additional vessels. As a result, interest expense for the period from August 26, 2005 to December 31, 2005 is not comparable to periods prior to that date. Navios estimates that, if the acquisition had taken place on January 1, 2005, the annual increase in interest expense on the debt incurred to finance its acquisition by ISE, based on the LIBOR rate at the acquisition date, would be approximately \$19.1 million. (See "Long-Term Debt Obligations and Credit Arrangements" discussed below). Interest income increased by \$1.7 million to \$2.5 million for the year ended December 31, 2005 as compared to \$0.8 million for the year ended December 31, 2004. This is attributable to higher average cash balances of \$91.5 million in 2005 as compared to \$62.9 million in 2004, as well as to higher weighted average interest rate of 3.2% in 2005 as compared to 1.4% in 2004.

**Other Income:** Other income increased by \$1.1 million to \$1.5 million for the year ended December 31, 2005. This increase is mainly due to favorable marked to market gains realized on the interest rate swaps as the interest rates continue to increase on both the short- and long-term, as well as the reversals of provisions for arbitration claims against Navios that have been concluded in Navios' favor.



Net Other Expense: Other expense decreased by \$0.4 million to \$1.0 million for the year ended December 31, 2005. This change is mainly due to less realized losses on the settlement of payables raised in other currencies during the year.

### Liquidity and Capital Resources

Navios has historically financed its capital requirements with cash flow from operations, equity contributions from stockholders and debt. Main uses of funds have been capital expenditures for the acquisition of vessels, new construction and upgrades at the port terminal, expenditures incurred in connection with ensuring that the owned vessels comply with international and regulatory standards, repayments of bank loans and payments of dividends. Subsequent to its acquisition, Navios has funded its operation and expansion with proceeds from warrant exercises, internally generated cash flow and borrowings, while it continues to explore means of expanding its available capital. Navios believes that its current sources of capital are adequate to fund the operations of the fleet and the port terminal, including working capital requirements. However, See "Exercise of Vessel Purchase Options", "Working Capital Position" and "Long-Term Debt Obligations and Credit Arrangements" for further discussion of Navios' working capital position. The successor periods in the combined statement includes the effect of fair value purchase accounting adjustments. The successor and predecessor periods in the combined cash flow accounts are not comparable as the successor period cash flow accounts include increases to certain changes. The principle increases relate to amortization of intangible assets and increased depreciation, all of which arise as a result of recognizing an increase in the fair value of the assets and liabilities acquired from Navios, and increased interest charges arising as a consequence of additional indebtedness to finance the acquisition.

S-37

---

### Table of Contents

The following table presents cash flow information derived from the unaudited consolidated statements of cash flow of Navios for the three month periods ended March 31, 2007 and 2006.

	Three Month Period ended March 31,	
	2007	2006
	(unaudited)	(unaudited)
	(Thousands of U.S. Dollars)	
Net Cash from operating activities	\$ 51,006	\$ 8,697
Net Cash used in investing activities	(163,944)	(74,579)
Net Cash provided by financing activities	84,409	59,919
Decrease in cash and cash equivalents	(28,529)	(5,963)
Cash and cash equivalents, beginning of the period	99,658	37,737
Cash and cash equivalents, end of period	\$ 71,129	\$ 31,774

Cash provided by operating activities for the three month period ended March 31, 2007 as compared to the three month period ended March 31, 2006:

Net cash provided by operating activities increased by \$42.3 million to \$51.0 million for the three month period ended March 31, 2007 as compared to \$8.7 million for the same period of 2006. The increase resulted primarily from higher

net income in the three month period ended March 31, 2007 and other factors as discussed below. In determining net cash provided by operating activities, net income is adjusted for the effects of certain non-cash items including depreciation and amortization and unrealized gains and losses on derivatives.

The fair value of open FFA trades at March 31, 2007 was lower than in the same period of 2006 and amounted to \$7.6 million and \$8.1 million, respectively, reflecting the mark to market values at the end of the respective periods (See rate table on page S-28). Unrealized gains (losses) from FFAs for the three month periods ended March 31, 2007 and 2006 amounted to \$(1.8) million and \$1.9 million, respectively, and reflected the change in net fair value on open FFA contracts between the periods. The \$1.8 million loss at March 31, 2007, represents \$0.6 million unrealized gains on FFAs not qualifying for hedge accounting treatment charged to period results and \$2.4 million loss reclassified to earnings from "Accumulated Other Comprehensive Income (Loss)" on FFAs previously qualified for hedge accounting.

Restricted cash increased by \$13.5 million from \$16.2 million at December 31, 2006 to \$29.7 million at March 31, 2007. The primary reasons for this increase were (a) the additional deposits made to NOS ASA with respect to FFAs trading of \$10.1 million which was offset by decreased deposits made to LCH by \$1.1 million, and the increase in the retention account held with HSH Nordbank in connection with the restructured credit facility by \$4.5 million. During the corresponding period of 2006, restricted cash increased by \$2.7 million from \$4.1 million at December 31, 2005 to \$6.8 million at March 31, 2006.

Accounts receivable net increased by \$1.6 million from \$28.2 million at December 31, 2006 to \$29.8 million at March 31, 2007 (including receivables obtained as part of the acquisition of Kleimar amounting to \$8.6 million). The primary reason for this increase was the acquisition of Kleimar, which was partially offset by a change in the amount receivable from FFA trading partners which decreased by \$0.7 million from \$23.5 million at the end of December 31, 2006 to \$22.8 million at the end of March 31, 2007 and a decrease in all other receivables by \$8.9 million. During the corresponding period of 2006, accounts receivable net decreased by \$8.4 million from \$13.7 million at December 31, 2005 to \$5.3 million at March 31, 2006. The primary reason for this decrease was a change in the amount receivable from FFA trading partners which decreased by \$8.3 million from \$10.5 million at December 31, 2005 to \$2.2 million at March 31, 2006.

Prepaid expenses and other current assets increased by \$5.0 million from \$6.8 million at December 31, 2006 to \$11.8 million at March 31, 2007 (this increase is mainly due to prepaid

S-38

---

## Table of Contents

expenses and other current assets obtained as part of the acquisition of Kleimar amounting to \$6.4 million) which was offset by a decrease in prepaid voyage costs by \$0.9 million. Prepaid expenses also include claims, advances to agents and other assets. All these categories had minor variations resulting in a net decrease of \$0.5 million at March 31, 2007 as compared to December 31, 2006. During the corresponding period of 2006, prepaid expenses and other current assets increased by \$0.8 million from \$6.4 million at December 31, 2005 to \$7.2 million at March 31, 2006 due to the increase in inventories by \$0.7 and an increase in all other categories by \$0.1 million.

Accounts payable decreased by \$4.8 million from \$37.4 million at December 31, 2006 to \$32.6 million at March 31, 2007 (including accounts payable obtained as part of the acquisition of Kleimar amounting to \$1.4 million). The primary reason was the decrease in supplier payables, as well as the amount due to FFA trading partners which decreased by \$9.2 million during the three month period ended March 31, 2007. This decrease was mitigated by an increase in supplier payables. During the corresponding period of 2006, accounts payable decreased by \$3.8 million

from \$13.9 million at December 31, 2005 to \$10.1 million at March 31, 2006 due to the change in the amount due to FFA trading partners, which decreased by \$6.4 million during the quarter ended March 31, 2006. This decrease was mitigated by an increase in supplier payables.

Accrued expenses increased by \$14.2 million to \$24.9 million at March 31, 2007 (including accrued expenses obtained as part of the acquisition of Kleimar amounting to \$5.8 million), as compared to \$10.7 million on December 31, 2006. There are various reasons for this increase, including a \$9.9 million increase in accrued interest on borrowings, a \$3.6 million increase in accrued voyage expenses and an increase of \$0.7 million in all other accruals (mainly involving accrual of audit and other consultancy fees, payroll accruals, etc.). During the corresponding period of 2006, accrued expenses decreased by \$4.7 million to \$6.6 million at March 31, 2006 as compared to \$11.3 million on December 31, 2005 due to a \$1.7 million decrease in the accrual of audit and other consultancy fees as a result of Navios transitioning from private company status to a public company in 2005, decrease in the accrual for financing fees by \$2.0 million and an overall decrease in all other categories by \$1.0 million.

Deferred voyage revenue primarily reflects freight and charter-out amounts collected on voyages that have not been completed. Deferred freight increased by \$2.5 million and deferred hire increased by \$9.4 million as a result of an increase in the number of voyages extending over the period end. During the corresponding period of 2006, deferred freight increased by \$0.6 million as a result of an increase in the number of voyages extending over the period end.

Cash used in investing activities for the three month period ended March 31, 2007 as compared to the three month period ended March 31, 2006:

Cash used in investing activities was \$163.9 million for the three month period ended March 31, 2007, or an increase of \$89.3 million from \$74.6 million for the same period in 2006.

In February 2007, Navios paid \$145.4 million (net of acquired cash of \$22.1 million), for the acquisition of Kleimar N.V., a Belgian maritime transportation company.

In February 2007, Navios paid \$18.4 million for the acquisition of a new vessel, Navios Hyperion.

Purchase of property and equipment for the three month period ending March 31, 2007 amounted to \$0.1 million for the three month period ended March 31, 2007.

Cash used in investing activities was \$74.6 million for the three month period ended March 31, 2006. This was a result of the acquisition of three new vessels and two vessels with purchase options for \$73.7 million, as well as the purchase of property plant and equipment for an amount of \$0.9 million.

Cash provided by financing activities for the three month period ended March 31, 2007 as compared to the three month period ended March 31, 2006:

Cash provided by financing activities was \$84.4 million for the three month period ended March 31, 2007, while for the same period of 2006 was \$59.9 million.

S-39

Cash provided by financing activities was the result of (a) the exercise of warrants in January 2007 which resulted in \$66.6 million of net cash proceeds, (b) the proceeds from a new secured loan facility which is composed of a \$280.0 million Term Loan Facility and \$120.0 million reducing Revolving Credit Facility (the proceeds from the new credit facility were utilized to partially finance the acquisition of vessel Navios Hyperion, to repay the remaining outstanding balance of the previous HSH Nordbank facility (\$270.0 million), and to partially finance the acquisition of Kleimar) and (c) \$1.5 million of installments received in connection with the capital lease receivable. This was offset by a \$0.3 million installment paid in connection with Kleimar's outstanding indebtedness and \$5.5 million of dividends paid in March 2007, in connection with the fourth quarter of 2006.

Cash provided by financing activities was approximately \$60.0 million for the three month period ended March 31, 2006. This was the result of \$78.0 million proceeds derived from the restructured credit agreement signed on December 21, 2005, which were utilized to partially finance the acquisition of new vessels. This was offset by \$18.0 million of cash used in financing activities which consisted of \$15.0 million of installments paid in connection with the credit facility and \$3.0 million of dividends paid on March 13, 2006.

The following table presents cash flow information for the year ended December 31, 2006 (successor) and 2004 (predecessor) and combined cash flow information for the year ended December 31, 2005. The 2005 information was derived from the audited consolidated statements of cash flow of Navios as predecessor for the period January 1, 2005 to August 25, 2005 and from the audited consolidated statements of cash flow of Navios as successor for the period August 26, 2005 to December 31, 2005. This combined cash flow information is being presented solely to assist comparisons across the financial periods.

	Successor Year Ended December 31, 2006	Successor August 26, 2005 To December 31, 2005	Predecessor January 1, 2005 To August 25, 2005	Combined Year Ended December 31, 2005 (unaudited)	Predecessor Year Ended December 31, 2004
(Thousands of U.S. Dollars)					
Net cash provided by operating activities	\$56,432	\$24,371	\$71,945	\$96,316	\$137,218
Net cash used in investing activities	(111,463)	(119,447)	(4,264)	(123,711)	(4,967)
Net cash provided by (used in) financing activities	116,952	68,880	(50,506)	18,374	(111,943)
Increase (decrease) in cash and cash equivalents	61,921	(26,196)	17,175	(9,021)	20,308
Cash and cash equivalents, beginning of the period	37,737	63,933	46,758	46,758	26,450
Cash and cash equivalents, end of period	\$99,658	\$37,737	\$63,933	\$37,737	\$46,758

Cash provided by operating activities for the year ended December 31, 2006 and the combined year ended December 31, 2005

Net cash provided by operating activities decreased by \$39.9 million to \$56.4 million for the year ended December 31, 2006 as compared to \$96.3 million for the year ended December 31, 2005. The decrease resulted primarily from lower net income in the year ended December 31, 2005 and other factors as discussed below. In

determining net cash provided by operating activities, net income is adjusted for the effects of certain non-cash items including depreciation and amortization and unrealized gains and losses on derivatives. Depreciation and amortization, which include the depreciation of the owned dry bulk fleet and port terminal facilities, is not comparable for the predecessor and successor companies. As part of the acquisition of Navios by ISE, the dry bulk fleet, the assets at Navios' port terminal and intangible assets were written up to

S-40

---

## Table of Contents

fair market value on August 25, 2005. These new values are being depreciated over the remaining economic useful lives of the individual vessels and assets.

The net fair value of open FFA trades as included in the balance sheet at December 31, 2006, was higher than in the same period of 2005 and amounted to \$9.0 million and \$6.2 million, respectively, reflecting the marked-to-market values at the end of the respective years. Unrealized (gains) losses from FFAs for the years ended December 31, 2006 and 2005 amounted to \$(12.5) million and \$40.9 million, respectively, and reflected the change in net fair value on open FFA contracts between the years. The \$12.5 million gain at December 31, 2006, represents \$22.3 million unrealized gain on FFAs not qualifying for hedge accounting treatment charged to period results which offsets the \$9.8 million loss on FFAs qualifying for hedge accounting which has been reflected in "Other Comprehensive Income (Loss)" under stockholders' equity.

Restricted cash increased by \$12.1 million from \$4.1 million at December 31, 2005 to \$16.2 million at December 31, 2006. The primary reasons for this increase were the additional deposits made to NOS ASA and LCH with respect to FFAs trading of \$8.1 million and \$5.4 million, respectively, offset by the decrease in the retention account held with HSH Nordbank AG in connection with the restructured credit facility by \$0.8 million.

Accounts receivable, net increased by \$14.5 million from \$13.7 million at December 31, 2005 to \$28.2 million at December 31, 2006. The primary reason for this increase was a change in the amount receivable from FFA trading partners which increased by \$13.0 million from \$10.5 million at December 31, 2005 to \$23.5 million at December 31, 2006.

Prepaid expenses and other current assets increased by \$0.4 million from \$6.4 million at December 31, 2005 to \$6.8 million at December 31, 2006. The main reason for the increase in prepaid expenses was the increase in inventories and supplies onboard the vessels of \$1.9 million and the increase in other prepaid balances of \$0.6 million which were mitigated by the decrease in prepaid voyage expenses of \$1.5 million.

Accounts payable increased by \$23.5 million from \$13.9 million at December 31, 2005 to \$37.4 million at December 31, 2006. The primary reason for the increase was the change in the amount due to FFA trading partners, which increased by \$20.9 million during the year ended December 31, 2006.

Accrued expenses decreased by \$0.6 million to \$10.7 million at December 31, 2006 from \$11.3 million at December 31, 2005. The primary reasons for this decrease were: (a) the accrual of audit and other consultancy fees as a result of Navios transitioning from a private company to a public company in 2005 decreased by \$2.9 million as of December 31, 2006, (b) the restructuring of the debt as of December 21, 2005 resulted in accrued financing fees of \$2.6 million at December 31, 2005 which decreased by \$2.1 million to \$0.5 million at December 31, 2006 and (c) the decrease in all other categories by \$0.3 million. This decrease was mitigated by (a) the increase of the accrual for voyage expenses by \$2.3 million including a provision of \$1.0 million for losses on voyage in progress, (b) the

increase of the accrual for payroll and related costs by \$0.3 million, (c) the increase of the accrual for loan interest cost by \$0.5 million and (d) the establishment of the accrual for audit, consultancy and legal fees with respect to the issuance of the senior notes of \$1.5 million that did not exist in 2005.

Deferred voyage revenue primarily reflects freight and charter-out amounts collected on voyages that have not been completed. Deferred freight decreased by \$1.3 million due to the fact that there was one voyage at December 31, 2005 amounting to \$1.5 million compared to one voyage at December 31, 2006 amounting to \$0.2 million.

Cash used in investing activities for the year ended December 31, 2006 as compared to the combined year ended December 31, 2005:

Cash used in investing activities was \$111.5 million for the year ended December 31, 2006, as compared to \$123.7 million for the combined year ended December 31, 2005.

S-41

---

## Table of Contents

In 2006, Navios paid \$108.1 million for the acquisition of one vessel and five purchase option vessels. In 2005, Navios paid \$110.8 million for the acquisition of three vessels and two purchase option vessels.

In 2006, Navios made a \$2.1 million deposit in connection with the exercised option for the acquisition of vessel Navios Hyperion, which was delivered on February 26, 2007. In 2005, Navios made an \$8.3 million deposit for the acquisition of four purchase option vessels, all of which were delivered in 2006.

Purchase of property and equipment of \$1.3 million for the year ended December 31, 2006 and \$4.6 million for the same period in 2005 represents, principally, the amounts paid by Navios in accordance with the terms of the purchase agreement for the construction for the new horizontal silo with ancillary equipment during 2005.

Cash provided by financing activities for the year ended December 31, 2006 as compared to the combined year ended December 31, 2005:

Cash provided by financing activities was \$117.0 million for the year ended December 31, 2006, as compared to \$18.4 million for the combined year ended December 31, 2005.

Cash provided by financing activities in 2006 was the result of \$116.9 million proceeds from the restructured senior secured credit facility signed on December 21, 2005, which were partially utilized to finance the acquisition of one vessel and five purchase option vessels, the \$65.4 million of proceeds from the exercise of warrants for common stock and the net proceeds from the senior notes of \$291.5 million, a portion of which (\$290.0 million) was used to prepay in full three tranches of approximately \$241.1 million and on a pro-rata basis the remaining tranches of the existing senior secured credit facility. This was offset by \$50.5 million of installments paid in connection with the senior secured credit facility and \$15.4 million of dividends paid.

Cash provided by financing activities in 2005 was \$18.4 million for the combined year 2005. Cash provided includes \$102.1 million relating to the proceeds from the senior secured credit facility, which was fully utilized to partially finance the acquisition of new vessels, and \$102.3 million relating to cash received from the downstream merger. This was offset by \$177.4 million of payments comprising installments paid in connection with the senior secured credit facility and repayment of debt and by \$8.6 million related to the repayment of a non-interest bearing loan from a

principal stockholder of Navios.

Cash provided by operating activities for the combined year ended December 31, 2005 as compared to year ended December 31, 2004:

Net cash provided by operating activities decreased by \$40.9 million to \$96.3 million for the combined year ended December 31, 2005 as compared to \$137.2 million for the year ended December 31, 2004. The decrease resulted primarily from lower net income in the year ended December 31, 2005 and other factors as discussed below. In determining net cash provided by operating activities, net income is adjusted for the effects of certain non-cash items including depreciation and amortization and unrealized gains and losses on derivatives. Depreciation and amortization, which include the depreciation of the owned dry bulk fleet and port terminal facilities, is not comparable for the predecessor and successor companies. As part of the acquisition of Navios by ISE, the dry bulk fleet, the assets at Navios' port terminal and intangible assets were written up to fair market value on August 25, 2005. These new values are being depreciated over the remaining economic useful lives of the individual vessels and assets.

FFAs settle on the last working day of each month. Although all outstanding FFAs were marked to market on August 25, 2005, there was no settlement on that date and, therefore, no transfer to accounts receivable or accounts payable. The volume of FFA derivative trades were curtailed during 2005 based on a strategic management decision to minimize the open positions to curtail the level of volatility prior to the culmination of the acquisition of Navios by International Shipping Enterprises. The fair value of open trades at December 31, 2005 was substantially lower

S-42

---

## Table of Contents

than at December 31, 2004. A large component of the \$47.1 million marked to market value recorded at December 31, 2004 settled monthly during the year ended December 31, 2005. This resulted in the reversals of the \$47.1 million of unrealized gains as of December 31, 2004 being greater than the December 31, 2005 marked to market net asset being recorded of \$6.2 million.

Accounts receivable before netting the effect of the provision for doubtful receivables of \$0.4 million and \$2.3 million as of December 31, 2005 and 2004, respectively, decreased by \$3.4 million from \$17.5 million at December 31, 2004 to \$14.1 million for the combined 12 months ended December 31, 2005. The primary reason for this decrease was a change in the amount receivable from FFA trading partners which decreased by \$2.2 million from \$12.7 million at the end of December 31, 2004 to \$10.5 million at the end of December 31, 2005. The corresponding asset resulting from the marked to market valuation related to the FFA derivatives at December 31, 2005 is included in the short-term derivative asset on the balance sheet. Although the number of vessels chartered-out has remained constant between the two comparative year ends, the charter-out market rates dropped during 2005 impacting the value of the outstanding receivables at period ends.

Prepaid expenses and other current assets decreased by \$6.8 million from \$13.2 million at December 31, 2004 to \$6.4 million. The prepaid expenses consist predominantly of freight, chartered-in hire paid in advance and prepaid bunkers fuel on charter-in vessels which decreased by \$3.9 million. Prepaid freight increased by \$1.2 million resulting from one voyage which extended over the December 31, 2005 year end. The prepaid hire on chartered-in vessels decreased by \$4.9 million as there were 15 charter-in vessels at December 31, 2005, which was seven less than the 22 vessels chartered-in at December 31, 2004. Additionally, the average gross hire cost per vessels of \$22,232 at December 31, 2004 decreased to \$14,678 by the end of December 31, 2005.

Accounts payable decreased by \$1.0 million from \$14.9 million to \$13.9 million at December 31, 2005. The primary reason for the decrease was a change in the amount due to FFA trading partners, which decreased by \$2.4 million, as a result of the decreased number of trades at December 31, 2005 as compared to December 31, 2004. The corresponding liability resulting from the marked to market valuation related to the FFA derivatives at December 31, 2005, is included in the short-term derivative liability on the balance sheet. With the acquisition of Navios by ISE on August 25, 2005 and the down stream merger which took place on the same day, ISE contributed an accounts payable balance of \$10.5 million (mainly acquisition costs). During the period from the acquisition date of Navios to December 31, 2005, the majority of the ISE payables were settled.

Accrued expenses increased by \$4.2 million to \$11.3 million at December 31, 2005 as compared to \$7.1 million on December 31, 2004. There are various reasons for this increase, including a \$1.1 million increase in the accrual of audit fees as a result of Navios transitioning from private company status to a public company. The refinancing of the debt at the end of December 2005 resulted in financing fees being accrued in the amount of \$2.6 million. The accruals for other professional services also increased by \$1.1 million also related to the transition from a private company to a public company, a balance of \$0.8 million in the restructuring accrual and an increase of \$0.7 million the accrued voyage expenses. These increases were partially offset by the decrease in the accrual for loss making voyages in progress from \$1.3 million on three vessels on December 31, 2004 to \$0.0 million on December 31, 2005. Estimated losses on voyages are provided for in full at the time such losses become evident. The accrual was further reduced by a reduction in payroll accruals of \$1.0 million. With the acquisition of Navios by ISE on August 25, 2005, and the down stream merger which took place on the same day, ISE contributed an accrued expense balance of \$2.3 million (mainly accrual of taxes and professional fees). During the period from the acquisition date of Navios to December 31, 2005, the majority of the ISE accrued expenses were settled.

Deferred voyage revenue primarily reflects freight and charter-out amounts collected on voyages that have not been completed. Deferred freight decreased by \$3.7 million as a result of a

S-43

---

## Table of Contents

reduction in the number of voyages extending over the year ends. There were three voyages at December 31, 2004 amounting to \$5.3 million compared to one voyage at the end of December 31, 2005 amounting to \$1.6 million. The deferred hire on chartered-out vessels decreased by \$0.4 million; however, there were 25 charter-out vessels at December 31, 2005, which was one more than the 24 charter-out vessels at December 31, 2004. Additionally, the average gross hire revenue per vessel of \$225,000 at December 31, 2004 decreased to \$199,000 by the end of December 31, 2005.

Payments on interest rate swaps, as reflected in the derivative accounts, totaled \$1.4 million for the 12 month period ended December 31, 2005 as compared to \$2.3 million during the year ended December 31, 2004. Two factors caused this change. First, interest rates on average were lower during 2004 and the liability exposure was consequently greater in terms of the swap arrangements and second, the notional balance applied by the banks to calculate interest decreased over time and was lower in 2005 because of notional principal payments applied to the outstanding balance.

Although the market rates were favorable in term of the Navios portfolio at December 31, 2004, new trades being negotiated through NOS required additional margin deposits. At December 31, 2004, Navios had received \$0.3 million of cash for a corresponding portfolio gain of \$5.0 million, of which \$1.9 million was an unrealized gain. At December 31, 2005, the market rates had started to decline and although Navios did fewer trades through NOS during 2005, Navios was still required to increase the amount of funds on call to \$2.0 million while the portfolio was



showing a loss of \$0.5 million, of which \$0.3 million was an unrealized gain. This resulted in a \$1.6 million movement in the unrealized component of the portfolio, from a \$1.9 million gain to a \$0.3 million gain.

Navios started trading FFA's through the NOS exchange in April of 2004, so the volume of trades for the 12 months of 2004 compared to 2005 was lower. NOS, as an exchange, have the right to call on its participants to post call margins depending on the marked to market status of the portfolio.

Cash used in investing activities for the combined year ended December 31, 2005 as compared to year ended December 31, 2004:

Cash used in investing activities was approximately \$123.7 million for the combined year ended December 31, 2005, or an increase of approximately \$118.7 million from \$5 million for the year ended December 31, 2004.

In 2005, Navios made an \$8.3 million deposit in connection with the acquisition of four purchase option vessels, three of which have already been delivered and the fourth was delivered in April 2006. No such deposits were made in 2004.

In 2005, Navios paid \$110.8 million for the acquisition of three new vessels and two purchase option vessels. No vessels were acquired in 2004.

Purchase of property and equipment of \$4.6 million for the combined year ended December 31, 2005 and \$5.1 million for the year ended December 31, 2004 principally represent the amounts paid by Navios in accordance with the terms of the purchase agreement for the construction of the new horizontal silo with ancillary equipment during 2005 and four new vertical silos with ancillary equipment during 2004, respectively.

Cash provided by (used in) financing activities for the combined year ended December 31, 2005 as compared to year ended December 31, 2004:

Cash provided from financing activities was \$18.4 million for the combined year ended December 31, 2005.

On August 18, 2005, Navios closed out its then existing credit agreements and repaid the \$49.8 million outstanding as of that date (\$50.5 million balance as of December 31, 2004). This

S-44

---

## Table of Contents

prepayment of the loan was made using available funds and no penalties were imposed due to early repayment. During the period from August 26 to December 31, 2005, Navios made the scheduled principal payments of \$79.4 million and \$47.5 million in connection with the credit agreements signed on July 12, 2005 and December 21, 2005. In addition, Navios also repaid \$8.6 million to an initial stockholder of ISE who became an officer and principal stockholder of Navios and who advanced a total of \$8.6 million to ISE in the form of a non-interest bearing loan.

The \$102.3 million cash received from the downstream merger is the cash of ISE as at August 25, 2005, at the time of the merger with and into Navios and was derived from the proceeds of the credit agreement signed on July 12, 2005 of \$514.4 million less the financing of the purchase price of Navios by \$412.0 million.

The proceeds of \$105.9 million derived from the credit agreement signed on December 21, 2005, and were utilized to partially finance the acquisition of new vessels.

Cash used in financing activities was \$111.9 million for the year ended December 31, 2004.

During December 2005, Navios refinanced the credit facility obtained on July 12, 2005 (Note 11) which was not accounted for in the same manner as a debt extinguishment. Therefore, fees paid to the bank, in the amount of \$3.8 million associated with the new loan, are capitalized as deferred financing costs.

In 2004, Navios refinanced all of its credit facilities with two revolving debt facilities and one term loan. The \$139.2 million payments were offset by \$91.5 million in proceeds from the new term loans and \$41.0 million was paid down on scheduled principal payments.

During 2004, Navios redeemed all of its mandatorily redeemable preferred stock for \$15.2 million. There was no outstanding preferred stock as of December 31, 2004. Furthermore, in 2004, Navios redeemed \$9.0 million of common stock and distributed \$40.0 million in dividends to its shareholders.

#### EBITDA reconciliation

EBITDA: EBITDA represents net income before interest, taxes, depreciation and amortization. Navios uses EBITDA because Navios believes that EBITDA is a basis upon which liquidity can be assessed and because Navios believes that EBITDA presents useful information to investors regarding Navios' ability to service and/or incur indebtedness. Navios also uses EBITDA (i) in its debt instruments to measure compliance with covenants such as interest coverage and debt incurrence; (ii) by prospective and current lessors as well as potential lenders to evaluate potential transactions; and (iii) to evaluate and price potential acquisition candidates.

EBITDA has limitations as an analytical tool, and should not be considered in isolation or as a substitute for analysis of Navios' results as reported under US generally accepted accounting principles, or GAAP. Some of these limitations are: (i) 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, and EBITDA does not reflect any cash requirements for such capital expenditures. Because of these limitations, EBITDA should not be considered as a principal indicator of Navios' performance.

EBITDA increased by \$10.0 million to \$34.6 million for the three month period ended March 31, 2007 as compared to \$24.6 million for the same period of 2006. The increase is mainly attributable to (a) a gain in FFAs trading of \$2.9 million in the first quarter of 2007 versus a gain of \$1.7 million in the same period in 2006, resulting in a favorable FFA variance of \$1.2 million, (b) the increase in revenues by \$52.6 million from \$49.2 million in the first quarter of 2006 to \$101.8 million in the same period of 2007. The above increase was mitigated mainly by (a) the increase in time charter and voyage expenses by \$39.6 million from \$20.8 million in the first quarter of 2006 to \$60.4 million in the same period of 2007, (b) the increase in the direct vessels expenses by \$2.5 million due to the expansion of the owned fleet from fifteen vessels in the first

S-45

---

#### Table of Contents

quarter of 2006 to 18 vessels in the same period of 2007, (c) the increase in general and administrative expenses by \$0.7 million and (d) the net decrease in all other categories (other income/expenses, income from investments in

finance leases, income from affiliate companies, etc.) by \$1.0 million.

EBITDA reconciliation to cash from operations for three months ended March 31, 2007 and 2006

	Three Month Period ended March 31,	
	2007 (unaudited)	2006 (unaudited)
	(Thousands of U.S. Dollars)	
Net cash provided by operating activities	\$ 51,006	\$ 8,697
Net increase (decrease) in operating assets	15,184	(4,932)
Net (increase) decrease in operating liabilities	(41,594)	9,112
Net interest cost	11,948	8,738
Deferred finance charges	(447)	(653)
Provision for losses on accounts receivable	550	—
Unrealized gain (loss) on FFA derivatives, FECs and interest rate swaps	(2,601)	2,804
Earnings in affiliates and joint ventures, net of dividends received	452	(301)
Payments for drydock and special survey	74	1,132
EBITDA	\$ 34,572	\$ 24,597

EBITDA increased by \$21.0 million to \$103.2 million for the year ended December 31, 2006 as compared to \$82.2 million for the same period of 2005. This \$21.0 million increase in EBITDA was primarily due to (a) a \$19.7 million increase in gains from FFAs and (b) a \$46.6 million reduction in time charter and voyage and port terminal expenses as discussed in the section “Period over Period Comparisons”. The above overall favorable variance of \$66.3 million was mitigated by the decrease in revenues by approximately \$29.0 million for the reasons explained in the section “Period over Period Comparisons” and the approximately \$11.1 million increase in direct vessel expenses (excluding the amortization of deferred dry dock and special survey costs) as a result of the increase of owned fleet and the provision for a doubtful receivable of \$5.4 million.

EBITDA decreased by \$53.8 million to \$82.2 million for the year ended December 31, 2005 as compared to \$136.0 million for the year ended December 31, 2004. The major contributor to this unfavorable variance in EBITDA was the substantial gains in FFA trading in the year ended December 31, 2004 of \$57.7 million as compared to a gain of \$0.1 million for the year ended December 31, 2005. Excluding results from FFA trading, EBITDA from operations was \$3.8 million higher in the year ended December 31, 2005 than in the year ended December 31, 2004. The \$3.8 million increase in non-FFA EBITDA reflects the reduction in revenues by \$44.2 million, which was mitigated by the \$48.7 million decrease in time charter, voyage and port terminal expenses as discussed above.

S-46

---

## Table of Contents

EBITDA reconciliation to cash from operations for years ended December 31, 2006, 2005 and 2004

The following table reconciles net cash from operating activities, as reflected in the consolidated statements of cash flow, to EBITDA:

	Successor Year Ended December 31, 2006	Successor August 26, 2005 to December 31, 2005	Predecessor January 1, 2005 to August 25, 2005	Predecessor Year Ended December 31, 2004
(Thousands of U.S. Dollars)				
Net Cash provided by operating activities	\$ 56,432	\$ 24,371	\$ 71,945	\$ 137,218
Net increase (decrease) in operating assets	33,065	5,864	(14,525)	(7,195)
Net Decrease (increase) in operating liabilities	(31,086)	1,720	21,407	3,104
Payments for drydock and special survey costs	2,480	1,710	—	—
Net interest cost	43,597	9,476	327	1,888
Deferred finance charges	(8,004)	—	(425)	—
Provision for losses on accounts receivable	(6,024)	(411)	880	573
Gain (loss) on sale of property, plant and investments	—	—	—	61
Unrealized gain (loss) on derivatives, foreign exchange contracts, fuel swaps and interest rate swaps	12,625	(16,478)	(23,728)	254
Undistributed earnings in affiliates	92	285	(185)	64
Minority interest	—	—	—	—
EBITDA	\$ 103,177	\$ 26,537	\$ 55,696	\$ 135,967

S-47

## Table of Contents

### Long-Term Debt Obligations and Credit Arrangements

On August 18, 2005, prior to the closing of the acquisition of Navios by ISE, all amounts outstanding under the predecessor Navios loan facility, in the approximate amount of \$49.8 million, were paid in full using available predecessor Navios funds. No prepayment penalties were imposed as a result of the prepayment and termination of this credit facility.

The senior secured credit facility with HSH Nordbank AG dated July 12, 2005, was established by ISE to provide a portion of the funds necessary to acquire Navios, and was assumed by Navios in the acquisition/reincorporation. Of the \$514.4 million borrowed under this facility on August 25, 2005, \$412.0 million was used in connection with the acquisition of Navios and the balance for general working capital requirements. On December 21, 2005, Navios entered into a senior credit facility with HSH Nordbank AG for \$649.0 million which restructured the balance of the above facility of \$435.0 million as of that date and also provided additional funds of \$214.0 million to finance the acquisition of six vessels through the exercise of purchase options and the acquisition of four Panamax vessels from Maritime Enterprise Management S.A.

In December 2006, Navios repaid \$290.0 million of the above facility from the net proceeds of the senior notes discussed below while the balance of the facility remaining at December 31, 2006 was fully repaid from the proceeds

of a syndicated loan taken in February 2007.

In December 2006, Navios issued \$300.0 million of 9.5% senior notes due December 15, 2014. Part of the net proceeds of approximately \$290.0 million from the issuance of these senior notes was used to repay in full the remaining principal amounts under three tranches of approximately \$241.1 million, and the remaining proceeds were applied pro-rata among the remaining tranches under the then outstanding credit facility. The senior notes are fully and unconditionally guaranteed, jointly and severally and on an unsecured senior basis, by all of Navios' subsidiaries, other than the Uruguayan subsidiary, Corporacion Navios Sociedad Anonima. At any time before December 15, 2009, Navios may redeem up to 35% of the aggregate principal amount of the notes with the net proceeds of a public equity offering at 109.5% of the principal amount of the notes, plus accrued and unpaid interest, if any, so long as at least 65% of the originally issued aggregate principal amount of the notes remains outstanding after such redemption. In addition, Navios has the option to redeem the notes in whole or in part, at any time (1) before December 15, 2010, 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 (2) on or after December 15, 2010, at a fixed price of 104.8%, which price declines ratably until it reaches par in 2012. Furthermore, upon occurrence of certain change of control events, the holders of the notes may require Navios to repurchase some or all of the notes at 101% of their face amount. The senior 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 Navios' properties and assets and creation or designation of restricted subsidiaries. Pursuant to the covenant regarding asset sales, Navios has to repay the senior notes at par plus interest with the proceeds of certain asset sales if the proceeds from such asset sales are not reused in the business within a specified period or used to pay secured debt.

In February 2007, Navios entered into a new secured Loan Facility with HSH Nordbank and Commerzbank AG maturing on October 31, 2014. The new facility is composed of a \$280.0 million Term Loan Facility and a \$120.0 million Revolver Credit Facility. The term loan facility has partially been utilized to repay the remaining balance of the previous HSH Nordbank facility with the remaining balance left to finance the acquisition of Navios Hyperion. The revolving credit facility is available for future acquisitions and general corporate and working capital purposes. The interest rate of the new facility is LIBOR plus a spread ranging from 65 and 125 bps as defined in the agreement.

S-48

---

## Table of Contents

The secured loan facility contains covenants similar to those of the senior notes, 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, 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 Navios' properties and assets and creation or designation of restricted subsidiaries.

The principal payments to be made by Navios under all of its credit facilities outstanding balance as of March 31, 2007 for the next five years and thereafter are based on the repayment schedule of the facilities discussed in the previous paragraphs and the outstanding amount under the senior notes are as follows:

	March 31, 2007
	Millions of U.S. Dollars
Year	
2007	\$ 10.7
2008	14.2
2009	14.2
2010	29.3
2011	23.4
2012 and thereafter	540.8
Total	\$ 632.6

The principal payments of the credit facility outstanding balance as of December 31, 2006 for the next five years and thereafter are based on the repayment schedule of the facility discussed in the previous paragraph and the outstanding amount under the senior notes are as follows:

	December 31, 2006
	Millions of U.S. Dollars
Year	
2007	\$ 8.3
2008	11.0
2009	11.0
2010	11.0
2011	11.0
2012 and thereafter	517.8
	\$ 570.1

#### Working Capital Position

As of December 31, 2006 and March 31, 2007, Navios' current assets totaled \$195.9 million and \$240.6 million, respectively, while current liabilities totaled \$109.0 million and \$222.1 million, respectively, resulting in a positive working capital position of \$86.9 million and \$18.5 million, respectively. Navios' internal cash forecast indicates that it will generate sufficient cash during 2007 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 2007.

While internal forecasts indicate that existing cash balances and operating cash flow will be sufficient to service the existing indebtedness, Navios continues to review its cash flow and financing options with a view toward increasing working capital.

#### Concentration of Credit Risk

Concentrations of credit risk with respect to accounts receivables are limited due to Navios' large number of customers, who are internationally dispersed and have a variety of end markets in

Table of Contents

which they sell. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in Navios' trade receivables. For the three months ended March 31, 2007, one customer from the vessels operations segment accounted for approximately 15.7% of Navios revenue, while for the year ended December 31, 2006, two customers from the vessel operations segment accounted for approximately 10.0% and 12.3% each of Navios' revenue, respectively.

## Effects of Inflation

Navios 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, dry docking expenses and corporate overhead.

## Off-Balance Sheet Arrangements

Charter hire payments to third parties for charter-in vessels are treated as operating leases for accounting purposes. Navios is also committed to making rental payments under operating leases for its office premises. Future minimum rental payments under Navios' non-cancelable operating leases are disclosed in Navios' March 31, 2007 unaudited Interim Consolidated Financial Statements. As of both March 31, 2007 and December 31, 2006, Navios was contingently liable for letters of guarantee and letters of credit amounting to \$0.5 million issued by various banks in favor of various organizations. These are collateralized by cash deposits which are included as a component of restricted cash. Navios issued guarantees to third parties totaling \$2.6 million and \$3.7 million at March 31, 2007 and December 31, 2006, respectively, pursuant to which Navios irrevocably and unconditionally guarantees its subsidiaries obligations under the dry bulk shipping FFAs. The guarantees remain in effect for a period of six months following the last trade date, which was March 20, 2007.

## Contractual Obligations as at March 31, 2007:

	March 31, 2007			
	Payment due by period (Millions of U.S. Dollars)			
	Total	1-3 years	3-5 years	More than 5 years
Long-term debt (includes current portion)(1)	\$ 632.6	\$ 39.1	\$ 63.7	\$ 529.8
Operating Lease Obligations (Time Charters)(2)	666.0	226.9	144.7	294.4
Rent Obligations(3)	7.2	2.6	1.4	3.2

(1) The amount identified represents principal due as of March 31, 2007 and does not include interest costs associated with it, which are based on LIBOR or applicable interest rate swap rates, plus the costs of complying with any applicable regulatory requirements and a margin ranging from 0.65% to 1.20% per annum.

(2) The effect of the exercise of the options is reflected in the reduction of operating lease obligations as of March 31, 2007.

(3) Reflects leases, net of subleases.

S-50

Table of Contents

## The international dry bulk shipping industry

The information and data in this section relating to the international dry bulk shipping industry has been provided by Drewry Shipping Consultants Ltd., or Drewry, and is taken from Drewry's databases and other sources available in the public domain. Drewry has advised us that it accurately describes the international dry bulk shipping industry, subject to the availability and reliability of the data supporting the statistical and graphical information presented. Drewry's methodologies for collecting information and data, and therefore the information discussed in this section, may differ from those of other sources, and does not reflect all or even necessarily a comprehensive set of the actual transactions occurring in the dry bulk shipping industry.

## Industry Overview

The marine industry provides the only practicable and cost-effective means of transporting large volumes of basic commodities and finished products over long distances. In 2006, approximately 2.8 billion tons of dry bulk cargo was transported by sea, comprising more than one-third of all international seaborne trade. The breakdown of all seaborne trade by main commodity type is shown below.

## World Seaborne Trade — 2006\*

	Tons (Millions)	% Total Seaborne Trade
All Cargo		
Dry Cargo	4,508	55.4
Liquid Cargo	3,627	44.6
Total	8,135	100.0
Dry Cargo		
Dry Bulk	2,765	34.0
Major Bulks	1,681	20.7
Coal	699	8.6
Iron Ore	723	8.9
Grain	262	3.2
Minor Bulks	1,081	13.3
Container Cargo	1,170	14.4
Non Container/General Cargo	573	7.0
Total	4,508	