Navios Maritime Holdings Inc.
Form 6-K
December 03, 2015
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 OF THE

SECURITIES EXCHANGE ACT OF 1934

Dated: December 3, 2015

Commission File No. 001-33311

NAVIOS MARITIME HOLDINGS INC.

7 Avenue de Grande Bretagne, Office 11B2

Monte Carlo, MC 98000 Monaco

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F:

Form 20-F x Form 40-F ¨

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

Yes ¨ No x

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes ¨ No x

Table of Contents

The information contained in this Report is incorporated by reference into the Registration Statement on Form F-3, File No. 333-189231, the Registration Statements on Form S-8, File No. 333-147186 and 333-202141, and the related prospectuses.

Operating and Financial Review and Prospects

The following is a discussion of the financial condition and results of operations of Navios Maritime Holdings Inc. (Navios Holdings or the Company) for the three and nine month periods ended September 30, 2015 and 2014. Navios Holdings financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America (U.S. GAAP). You should read this section together with the consolidated financial statements and the accompanying notes included in Navios Holdings 2014 annual report on Form 20-F filed with the Securities and Exchange Commission (SEC) and the condensed consolidated financial statements and the accompanying notes included elsewhere in this Form 6-K.

This report contains forward-looking statements within the meaning of the Private Securities Reform Act of 1995. All statements herein other than statements of historical fact, including statements regarding business and industry prospects or future results of operations or financial position, and future share repurchases and dividends, should be considered forward-looking. These forward looking statements are based on Navios Holdings current expectations and observations. Included among the factors that, in management s view, could cause actual results to differ materially from the forward-looking statements contained in this report are changes in any of the following: (i) charter demand and/or charter rates; (ii) production or demand for the types of drybulk products that are transported by Navios Holdings vessels; (iii) operating costs including, but not limited to, changes in crew salaries, insurance, provisions, repairs, maintenance and overhead expenses; or (iv) changes in interest rates. Other factors that could cause our actual results to differ from our current expectations and observations include, but are not limited to, those discussed under Part I, Item 3D Risk Factors in Navios Holdings Annual Report on Form 20-F for the year ended December 31, 2014. All forward-looking statements made in this report speak only as of the date of this document. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Recent Developments

Dividend Policy

Navios Holdings consistently returned capital through its dividend program to its shareholders since August of 2005. Due to the prolonged weakness in the dry bulk industry the Board of Directors suspended the payment of dividends. The declaration and payment of any dividends in the future remains subject to the discretion of the Board of Directors, and will depend on, among other things, Navios Holding s cash requirements after taking into account market opportunities, debt obligations, and restrictions contained in its credit agreements and indentures and market conditions.

Share Repurchase Authorization

Navios Holdings has authorized an up to $25.0 million share repurchase program that is effective for the period ending December 31, 2017. Any purchases of shares will be made from time to time in open market transactions at prevailing market prices or in privately negotiated transactions. The timing and amount of purchases will be determined by management based upon our results of operation and financial condition and capital resources and liquidity, market conditions restrictions under our credit agreements and indentures and other factors and may be made pursuant to a program adopted under Rule 10b5-1 under the Securities Exchange Act. There is no minimum purchase amount or specific number of shares the Company has committed to buy, and the program may be suspended or reinstated at any time at Navios Holdings discretion and without notice.

Dividends from Affiliates

On November 13, 2015, Navios Holdings received $3.6 million from Navios Maritime Partners L.P. (Navios Partners) representing the cash distribution for the third quarter of 2015.

Common and Preferred Stock

Navios Holdings had outstanding as of September 30, 2015 and December 31, 2014, 108,127,752 and 105,831,718 shares of common stock, respectively, and 73,935 (20,000 Series G Cumulative Redeemable Perpetual Preferred Stock issued in January 2014 (the Series G), 48,000 Series H Cumulative Redeemable Perpetual Preferred Stock issued in July 2014 (the Series H) and 5,935 shares of convertible preferred stock) and 75,069 (20,000 Series G, 48,000 series H and 7,069 shares of convertible preferred stock) shares of convertible preferred stock, respectively.

2

Table of Contents

Overview

General

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

Navios Logistics

Navios Logistics, a consolidated subsidiary of the Company, is one of the largest logistics companies in the Hidrovia region of South America, focusing on the Hidrovia river system, the main navigable river system in the region, and on cabotage trades along the eastern coast of South America. Navios Logistics is focused on providing its customers integrated transportation, storage and related services through its port facilities, its large, versatile fleet of dry and liquid cargo barges and its product tankers. Navios Logistics serves the needs of a number of growing South American industries, including mineral and grain commodity providers as well as users of refined petroleum products. Navios Holdings currently owns 63.8% of Navios Logistics.

Affiliates (not consolidated under Navios Holdings)

Navios Partners (NYSE:NMM) is an international owner and operator of dry cargo vessels and is engaged in seaborne transportation services of a wide range of drybulk commodities including iron ore, coal, grain, fertilizer and also containers, chartering its vessels under medium to long-term charters. Currently, Navios Holdings owns a 20.1% interest in Navios Partners, including a 2.0% general partner interest.

Navios Acquisition (NYSE: NNA), an affiliate (former subsidiary) of the Company, is an owner and operator of tanker vessels focusing in the transportation of petroleum products (clean and dirty) and bulk liquid chemicals. Currently, Navios Holdings ownership of the outstanding voting stock of Navios Acquisition is 43.3% and its economic interest in Navios Acquisition is 46.5%.

Navios Midstream (NYSE: NAP) is a publicly traded master limited partnership which owns and operates crude oil tankers under long-term employment contracts. As of September 30, 2015, Navios Holdings owned no direct equity interest in Navios Midstream.

Navios Europe I is engaged in the marine transportation industry through the ownership of five tankers and five container vessels. Navios Holdings, Navios Acquisition and Navios Partners have voting interests of 50%, 50% and 0%, respectively, and 47.5%, 47.5% and 5% economic interest, respectively, in Navios Europe I.

Navios Europe II is engaged in the marine transportation industry through the ownership of seven dry bulk and seven container vessels. Navios Holdings, Navios Acquisition and Navios Partners have voting interests of 50%, 50% and 0%, respectively, and 47.5%, 47.5% and 5% economic interest, respectively, in Navios Europe II.

Fleet

The following is the current core fleet employment profile (excluding Navios Logistics), including the newbuilds to be delivered. The current core fleet consists of 65 vessels totaling 6.7 million dwt. The employment profile of the fleet as of November 23, 2015 is reflected in the tables below. The 59 vessels in current operation aggregate approximately 6.0 million dwt and have an average age of 7.7 years. Navios Holdings has currently fixed 95.0% and 29.3% including index-linked charters of available days for 2015 and 2016, respectively, of its fleet (excluding vessels which are utilized to fulfill Contracts of Affreightment (COAs)), representing contracted fees (net of commissions), from our current charter agreements of $152.3 million and $71.8 million, respectively. Although these fees are based on contractual charter rates, any contract is subject to performance by the counterparties and us. Additionally, the level of these fees would decrease depending on the vessels off-hire days to perform periodic maintenance. The average contractual daily charter-out rate for the core fleet (excluding vessels which are utilized to fulfill COAs) is $8,344 and $11,924 for 2015 and 2016, respectively. The average daily charter-in rate for the active long-term charter-in vessels (excluding vessels which are utilized to fulfill COAs) for 2015 is $13,230.

Table of Contents

Owned Fleet. Navios Holdings owns a fleet comprised of 14 Ultra Handymax vessels, 13 Capesize vessels, 12 Panamax vessels and one Handysize vessel, which have an average age of approximately 9.0 years. Of the 40 owned vessels, 38 are currently in operation and two newbuilding vessels are expected to be delivered in the first quarter of 2016.

Vessels	**Type**	**Built**	**DWT**	**Charter-out Rate** (1)	**Profit Share**	**Expiration Date** (2)
Navios Serenity	Handysize	2011	34,690	7,600	No	12/2015
Navios Ionian	Ultra Handymax	2000	52,067	7,600	No	12/2015
Navios Celestial	Ultra Handymax	2009	58,063	8,075	No	01/2016
Navios Vector	Ultra Handymax	2002	50,296	7,220	No	12/2015
Navios Horizon	Ultra Handymax	2001	50,346	6,650	No	11/2015
Navios Herakles	Ultra Handymax	2001	52,061	8,930	No	09/2016
Navios Achilles	Ultra Handymax	2001	52,063	8,788	No	11/2015
Navios Meridian	Ultra Handymax	2002	50,316	9,500	No	12/2015
Navios Mercator	Ultra Handymax	2002	53,553	5,700	No	02/2016
Navios Arc	Ultra Handymax	2003	53,514	6,360	100% of average	11/2015
					Supramax Index 6TC	12/2016
					Routes	
Navios Hios	Ultra Handymax	2003	55,180	8,075	No	01/2016
Navios Kypros	Ultra Handymax	2003	55,222	7,002	98% of average Supramax Index 6TC Routes	11/2015 02/2016
Navios Ulysses	Ultra Handymax	2007	55,728	6,847	Average Supramax Index 6TC Routes	12/2015 02/2016
Navios Vega	Ultra Handymax	2009	58,792	7,305	Pool earnings +7%	11/2015 11/2015
Navios Astra	Ultra Handymax	2006	53,468	7,125	No	12/2015
Navios Magellan	Panamax	2000	74,333	3,325	No	12/2015
Navios Star	Panamax	2002	76,662	7,030	No	01/2016
				9,986	No	01/2017

					Yes(13)	01/2019
Navios Asteriks	Panamax	2005	76,801	9,986	No	11/2016
					Yes(13)	11/2018
Navios Centaurus	Panamax	2012	81,472	7,410	No	11/2015
				11,983	No	11/2016
					110% of average BPI 4TC Routes less adjustment to be based on earnings	11/2018
Navios Avior	Panamax	2012	81,355	7,255	Weighted average basis Panamax Index Routes	12/2015
					+16.5%	05/2016

4

Navios Galileo	Panamax	2006	76,596	5,700	No	12/2015
				9,986	No	12/2016
					Yes(13)	12/2018
Navios Northern Star	Panamax	2005	75,395	6,888	No	02/2016
Navios Amitie	Panamax	2005	75,395	7,030	No	02/2016
				9,986	No	02/2017
					Yes(13)	02/2019
Navios Taurus	Panamax	2005	76,596	6,850	110% of Average Panamax Index 4TC Routes	12/2015 02/2016
N Amalthia	Panamax	2006	75,318	4,835	Average Basis Panamax Index Routes	12/2015 12/2015
				9,986	No	12/2016
					Yes(13)	12/2018
N Bonanza	Panamax	2006	76,596	9,986	No	11/2016
					Yes(13)	11/2018
Navios Bonavis	Capesize	2009	180,022	13,110	No	02/2017
Navios Happiness	Capesize	2009	180,022	8,449	$4,750+50% Weighted Average BCI 5TC Index Routes	11/2015 01/2017
Navios Lumen	Capesize	2009	180,661	8,908(18)	$5,000+50% weighted average Baltic Capesize Index 5TC Index Routes	12/2015 04/2016
Navios Stellar	Capesize	2009	169,001	10,750	No	12/2015
Navios Phoenix	Capesize	2009	180,242	11,495	No	11/2015(5)
Navios Antares	Capesize	2010	169,059	8,181	$5,200+47.5% of the basis Baltic Capesize Index average 4TC	11/2015 02/2016

					Index Routes	
Navios Etoile	Capesize	2010	179,234	29,356	No	12/2020
Navios Bonheur	Capesize	2010	179,259	9,942	$6,300 +50% weighted average Baltic Capesize Index 5TC Index Routes	12/2015 01/2016
Navios Altamira	Capesize	2011	179,165	22,325	No	01/2016
Navios Azimuth	Capesize	2011	179,169	10,450	No	03/2016
Navios Gem	Capesize	2014	181,336	11,632	$7,750 +55% weighted average Baltic Capesize Index 5TC Index Routes	11/2015 01/2017
Navios Ray	Capesize	2012	179,515	9,805	$6,300 +50% weighted average Baltic Capesize Index 5TC Index Routes	12/2015 01/2016

Owned Fleet to be Delivered

Vessels	Vessel Type	Delivery Date	Deadweight (in metric tons)
Navios Sphera(14)	Panamax	Q1 2016	84,000
Navios Mars	Capesize	Q1 2016	180,600

Table of Contents

Long-Term Fleet. In addition to the 40 owned vessels, Navios Holdings controls a fleet of four Capesize, 10 Panamax, five Ultra Handymax, and one Handysize vessels under long-term charter-in contracts, which have an average age of approximately 4.9 years. Of the 20 chartered-in vessels, 16 are currently in operation and four are scheduled for delivery at various times through November 2016, as set forth in the following table:

Long-term Chartered-in Vessels

Vessels	Type	Built	DWT	Purchase Option [3]	Charter-out Rate [1]	Expiration Date [2]
Navios Lyra	Handysize	2012	34,718	Yes[4]	9,500	12/2015
Navios Primavera	Ultra Handymax	2007	53,464	Yes	7,600	11/2015
Navios Apollon	Ultra Handymax	2000	52,073	No	7,600	11/2015
Navios Oriana	Ultra Handymax	2012	61,442	Yes	8,550	12/2015
Navios Mercury	Ultra Handymax	2013	61,393	Yes	8,550	12/2015
Navios Venus	Ultra Handymax	2015	61,339	Yes	8,550	02/2016
Navios Libra II	Panamax	1995	70,136	No	1,473	01/2016
Navios Marco Polo	Panamax	2011	80,647	Yes	11,983	12/2016
					[7]	12/2018
Navios Southern Star	Panamax	2013	82,224	Yes	7,890[9]	11/2015 06/2016
					[10]	
Navios Aldebaran	Panamax	2008	76,500	Yes		
					6,415[8]	11/2015 06/2016
					[8]	
Navios Sky	Panamax	2015	82,056	Yes	7,031[11]	11/2015
					[11]	02/2016
					11,983	02/2017
					[15]	02/2019
Navios Amber	Panamax	2015	80,994	Yes	7,788[12]	11/2015
					[12]	01/2016
					11,983	01/2017

					(16)	01/2019
Sea Victory	Panamax	2015	77,095	Yes	9,986	11/2016
					(17)	11/2018
Navios Koyo	Capesize	2011	181,415	Yes	8,902(6)	11/2015 01/2017
Dream Coral	Capesize	2015	181,249	Yes	12,350	11/2017
Dream Canary	Capesize	2015	180,528	Yes	10,450	11/2016
Golden Heiwa	Panamax	2007	76,662	No		
Beaufiks	Capesize	2004	180,310	Yes		
Rubena N	Capesize	2006	203,233	No		
King Ore	Capesize	2010	176,800	No		
Navios Obeliks	Capesize	2012	181,415	Yes		

Long-term Chartered-in Vessels to be Delivered

Vessels	Type	Delivery Date	Purchase Option	DWT
Navios Coral	Panamax	11/2016	Yes	84,000
Navios TBN	Panamax	11/2016	Yes	81,000
Navios TBN	Panamax	11/2016	Yes	81,000
Navios Felix	Capesize	03/2016	Yes	180,000

Table of Contents

(1) Daily rate net of commissions. These rates do not include insurance proceeds received upfront in November 2012 and March 2014.
(2) Expected redelivery basis midpoint of full redelivery period.
(3) Generally, Navios Holdings may exercise its purchase option after three to five years of service.
(4) Navios Holdings holds the initial 50% purchase option on the vessel.
(5) Subject to COA of $34,013 per day for the remaining period until fourth quarter of 2016.
(6) Based on $5,050 + 50% weighted average BCI 5TC Routes.
(7) 110% of average BPI 4TC Routes less adjustment to be based on earnings
(8) Based on weighted average Panamax Index 4TCRoutes +10%.
(9) Based on weighted average Panamax Index 4TC Routes +17%.
(10) Based on $6,000 + 120% weighted average Panamax Index 4TC Routes.
(11) Based on weighted average Panamax Index 4TC Routes +18%.
(12) Based on weighted average Panamax Index 4TC Routes +20%.
(13) 100% of average BPI 4TC Routes less $2,488/day
(14) Charter rate $11,983 until 01/2017 and 123% of average BPI 4TC Routes less adjustment to be based on earnings until 01/2019
(15) 115% of average BPI 4TC Routes less adjustment to be based on earnings
(16) 120% of average BPI 4TC Routes less adjustment to be based on earnings
(17) 114% of average BPI 4TC Routes less $2,488/ day
(18) Amount represents daily rate of mitigation proceeds following the restructuring of the original charter.

Many of Navios Holdings current long-term chartered-in vessels are chartered from ship owners with whom Navios Holdings has long-standing relationships. Navios Holdings pays these ship owners daily rates of hire for such vessels, and then charters out these vessels to other parties, who pay Navios Holdings a daily rate of hire. Navios Holdings also enters into COAs pursuant to which Navios Holdings has agreed to carry cargoes, typically for industrial customers, who export or import drybulk cargoes. Further, Navios Holdings enters into spot market voyage contracts, where Navios Holdings is paid a rate per ton to carry a specified cargo from point A to point B.

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

Charter Policy and Industry Outlook

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

Generally, this chartering policy has had the effect of generating an aggregate Time Charter Equivalent (TCE) rate that was higher than spot employment, however this has not been the case for certain vessel sizes during 2015. The average daily charter-in vessel cost for the Navios Holdings long-term charter-in fleet (excluding vessels, which are utilized to serve voyage charters or COAs) was $13,530 per day for the nine month period ended September 30, 2015. The average long-term charter-in hire rate per vessel per day was computed by (a) multiplying (i) the daily charter-in rate for each vessel by (ii) the number of days each vessel is in operation for the year; (b) summing those individual multiplications; and (c) dividing such total by the total number of charter-in vessel days for the year. These rates exclude gains and losses from FFAs. Furthermore, Navios Holdings has the ability to increase its owned fleet through purchase options exercisable in the future at favorable prices relative to the then-current market.

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

Table of Contents

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

Factors Affecting Navios Holdings Results of Operations

Navios Holdings believes the principal factors that will affect its future results of operations are the economic, regulatory, political and governmental conditions that affect the shipping industry generally and that affect conditions in countries and markets in which its vessels engage in business. Please read Risk Factors included in Navios Holdings 2014 annual report on Form 20-F filed with the Securities and Exchange Commission for a discussion of certain risks inherent in its business.

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

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

Market Exposure: Navios Holdings manages the size and composition of its fleet by seeking a mix between chartering and owning vessels in order to adjust to anticipated changes in market rates. Navios Holdings aims to achieve an appropriate balance between owned vessels and long and short-term chartered-in vessels and controls approximately 6.7 million dwt in dry bulk tonnage. Navios Holdings options to extend the charter duration of vessels it has under long-term time charter (durations of over 12 months) and its purchase options on chartered vessels permit Navios Holdings to adjust the cost and the fleet size to correspond to market conditions.

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

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

TCE rates: TCE rates are defined as voyage and time charter revenues less voyage expenses during a period divided by the number of available days during the period. The TCE rate is a standard shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters are generally not expressed in per day amounts, while charter hire rates for vessels on time charters generally are expressed in such amounts.

Table of Contents

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

Voyage and Time Charter

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

- the duration of the charters;
- the level of spot market rates at the time of charters;
- decisions relating to vessel acquisitions and disposals;
- the amount of time spent positioning vessels;
- the amount of time that vessels spend in drydock undergoing repairs and upgrades;
- the age, condition and specifications of the vessels; and
- the aggregate level of supply and demand in the drybulk shipping industry.

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

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

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

The cost to maintain and operate a vessel increases with the age of the vessel. Older vessels are less fuel efficient, cost more to insure and require upgrades from time to time to comply with new regulations. The average age of Navios

Holdings owned core fleet is 9.0 years. However, as such fleet ages or if Navios Holdings expands its fleet by acquiring previously owned and older vessels, the cost per vessel would be expected to rise and, assuming all else, including rates, remains constant, vessel profitability would be expected to decrease.

COAs and Forward Freight Agreements (FFAs)

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

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

Statement of Operations Breakdown by Segment

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

Period over Period Comparisons

For the Three Month Period Ended September 30, 2015 Compared to the Three Month Period Ended September 30, 2014

The following table presents consolidated revenue and expense information for the three month periods ended September 30, 2015 and 2014, respectively. This information was derived from the unaudited condensed consolidated revenue and expense accounts of Navios Holdings for the respective periods.

(in thousands of U.S. dollars)	Three Month Period Ended September 30, 2015 (unaudited)	Three Month Period Ended September 30, 2014 (unaudited)
Revenue	$ 130,955	$ 152,592
Administrative fee revenue from affiliates	4,142	3,631
Time charter, voyage and logistics business expenses	(63,386)	(72,506)
Direct vessel expenses	(33,751)	(35,785)
General and administrative expenses incurred on behalf of affiliates	(4,142)	(3,631)
General and administrative expenses	(6,303)	(7,784)
Depreciation and amortization	(27,356)	(26,798)
Interest expense and finance cost, net	(27,534)	(27,940)
Other expense, net	(6,709)	(2,392)

Loss before equity in net earnings of affiliated companies	**$**	**(34,084)**	**$**	**(20,613)**
Equity in net earnings of affiliated companies		16,828		5,094
Loss before taxes	**$**	**(17,256)**	**$**	**(15,519)**
Income tax (expense)/ benefit		(955)		35
Net loss	**$**	**(18,211)**	**$**	**(15,484)**
Less: Net income attributable to the noncontrolling interest		(3,850)		(1,111)
Net loss attributable to Navios Holdings common stockholders	**$**	**(22,061)**	**$**	**(16,595)**

Set forth below are selected historical and statistical data for the Drybulk Vessel Operations segment for each of the three month periods ended September 30, 2015 and 2014 that the Company believes may be useful in better understanding the Company s financial position and results of operations.

Table of Contents

	Three Month Period Ended September 30,	
	2015 (unaudited)	2014 (unaudited)
FLEET DATA		
Available days	6,245	5,449
Operating days	6,122	5,443
Fleet utilization	98.0%	99.9%
Equivalent vessels	68	59
AVERAGE DAILY RESULTS		
Time Charter Equivalents	$ 8,570	$ 11,550

During the three month period ended September 30, 2015, there were 796 more available days, as compared to the same period in 2014, due to (i) an increase in available days for owned vessels by 33 days, mainly due to the delivery of the Navios Ray in the fourth quarter of 2014; and (ii) an increase in charter-in fleet available days by 763 days.

The average TCE rate for the three month period ended September 30, 2015 was $8,570 per day, $2,980 per day lower than the rate achieved in the same period in 2014. This was due primarily to the decrease in the freight market during the third quarter of 2015 as compared to the same period in 2014.

Revenue: Revenue from drybulk vessel operations for the three months ended September 30, 2015 was $63.6 million as compared to $73.5 million for the same period during 2014. The decrease in drybulk revenue was mainly attributable to a decrease in the TCE rate per day by 25.8% to $8,570 per day in the third quarter of 2015. This decrease was partially mitigated by an increase in available days of our fleet by 796 days, as described above.

Revenue from the logistics business was $67.3 million for the three months ended September 30, 2015 as compared to $79.1 million for the same period in 2014. This decrease was mainly attributable to a decrease in sales of products in the liquid terminal.

Administrative Fee Revenue From Affiliates: Administrative fee revenue from affiliates increased by $0.5 million, or 14.1%, to $4.1 million for the three month period ended September 30, 2015, as compared to $3.6 million for the same period in 2014. See general and administrative expenses discussion below.

Time Charter, Voyage and Logistics Business Expenses: Time charter, voyage and logistics business expenses decreased by $9.1 million, or 12.6%, to $63.4 million for the three month period ended September 30, 2015, as compared to $72.5 million for the three month period ended September 30, 2014.

The time charter and voyage expenses from drybulk vessel operations increased by $8.8 million, or 22.7%, to $47.9 million for the three month period ended September 30, 2015, as compared to $39.1 million for the three month period ended September 30, 2014. This increase was mainly attributable to an increase in charter-in expenses due to an increase in charter-in days in the third quarter of 2015, as compared to the same period in 2014, and an increase in loss voyages in the current period. This increase was partially offset by a decrease in fuel and miscellaneous expenses.

Of the total amounts of time charter, voyage and logistics business expenses for the three month periods ended September 30, 2015 and 2014, $15.5 million and $33.4 million, respectively, were related to Navios Logistics. The decrease in time charter, voyage and logistics business expenses related to Navios Logistics was mainly attributable to the barge business due to less voyages performed and a decrease in cost of products sold in the liquid terminal.

Direct Vessel Expenses: Direct vessel expenses decreased by $2.0 million, or 5.7%, to $33.8 million for the three month period ended September 30, 2015, as compared to $35.8 million for the three month period ended September 30, 2014. Direct vessel expenses include crew costs, provisions, deck and engine stores, lubricating oils, insurance premiums and costs for maintenance and repairs.

11

Table of Contents

The direct vessel expenses from drybulk vessel operations decreased by $0.6 million, or 4.9%, to $12.4 million for the three month period ended September 30, 2015, as compared to $13.0 million for the three month period ended September 30, 2014. This decrease was mainly attributable to (i) a decrease in crew expenses; (ii) a decrease in insurance expenses; and (ii) a decrease in class and survey expenses.

Of the total amounts of direct vessel expenses for the three month periods ended September 30, 2015 and 2014, $21.4 million and $22.8 million, respectively, related to Navios Logistics. The decrease in direct vessel expenses related to Navios Logistics was mainly due to a $2.2 million decrease in the expenses of the barge business due to lower repairs, maintenance and crew costs. This decrease was partially offset by an increase in the expense from the cabotage business by $0.8 million, mainly attributable to an increase in the cabotage fleet s available days and crew costs.

General and Administrative Expenses Incurred on Behalf of Affiliates: General and administrative expenses incurred on behalf of affiliates increased by $0.5 million, or 13.9%, to $4.1 million for the three month period ended September 30, 2015, as compared to $3.6 million for the same period in 2014. See general and administrative expenses discussion below.

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

(in thousands of U.S. dollars)	Three Month Period Ended September 30, 2015 (unaudited)	Three Month Period Ended September 30, 2014 (unaudited)
Administrative fee revenue from affiliates	$ (4,142)	$ (3,631)
General and administrative expenses incurred on behalf of affiliates	4,142	3,631
General and administrative expenses	6,303	7,784

(in thousands of U.S. dollars)	Three Month Period Ended September 30, 2015 (unaudited)	Three Month Period Ended September 30, 2014 (unaudited)
Drybulk Vessel Operations	$ 3,202	$ 4,006
Logistics Business	3,101	3,778
General and administrative expenses	**$ 6,303**	**$ 7,784**

The decrease in general and administrative expenses by $1.5 million, or 19.0%, to $6.3 million for the three month period ended September 30, 2015, as compared to $7.8 million for the three month period ended September 30, 2014, was mainly attributable to (i) a $0.8 million decrease in payroll and other related costs in the dry bulk operations; and (ii) a $0.7 million decrease in payroll and related costs in the logistics business.

Depreciation and Amortization: For the three month period ended September 30, 2015, depreciation and amortization increased by $0.6 million to $27.4 million as compared to $26.8 million for the three month period ended September 30, 2014. The increase was primarily due to an increase in depreciation and amortization of drybulk vessels by $0.8 million following the new vessel delivery in the fourth quarter of 2014. This increase was partially offset by a decrease in depreciation and amortization of the logistics business by $0.2 million, mainly due to the full depreciation of certain assets in the barge business, during 2014.

Interest Expense and Finance Cost, Net: Interest expense and finance cost, net for the three month period ended September 30, 2015 decreased by $0.4 million, or 1.5%, to $27.5 million, as compared to $27.9 million in the same period in 2014. The decrease was mainly due to higher interest income from Navios Europe I and Navios Europe II.

Table of Contents

Other Expense, Net: Other expense, net increased by $4.3 million, or 180.5%, to $6.7 million for the three month period ended September 30, 2015, as compared to $2.4 million for the same period in 2014. This increase was due to (i) a $4.1 million increase in other expense, net of drybulk vessel operations; and (ii) a $0.2 million increase in other expenses, net of the logistics business.

The increase in other expense, net of drybulk vessels operations was mainly due to (i) a $1.8 million increase in expense relating to the reclassification to earnings of available-for-sale securities for an other-than-temporary impairment during 2015, (ii) a $1.3 million increase in claims under the Navios Partners Guarantee (as defined below) during the third quarter of 2015, (iii) a $0.4 million increase in losses from foreign exchange differences; and (iv) a $0.6 million increase in other expense, net relating to miscellaneous voyage and operating expenses.

The increase in other expense, net of the logistics business was mainly due to a $0.2 million increase in taxes other-than-income taxes.

Equity in Net Earnings of Affiliated Companies: Equity in net earnings of affiliated companies increased by $11.7 million, or 230.3%, to $16.8 million for the three month period ended September 30, 2015, as compared to $5.1 million for the same period in 2014. The $11.7 million increase in investment income was mainly due to (i) a $10.5 million increase in investment income from Navios Acquisition, (ii) a $0.8 million increase in investment income from Navios Europe II; (iii) a $0.2 million increase in investment income from Navios Europe I; and (iv) a $0.4 million increase in investment income from Navios Partners. This increase was partially offset by a $0.2 million decrease in investment income from Acropolis Chartering and Shipping Inc. (Acropolis).

Income Tax (Expense)/ Benefit: Income tax expense increased by $1.0 million as compared to the same period in 2014. The total change in income taxes was mainly attributable to Navios Logistics and was due to the better operational performance of the barge business.

Net Income Attributable to the Noncontrolling Interest: Net income attributable to the noncontrolling interest increased by $2.7 million to $3.8 million of income for the three month period ended September 30, 2015, as compared to $1.1 million of income for the same period in 2014. This increase was mainly attributable to the logistics business net income for the three month period ended September 30, 2015, as compared to the same period in 2014.

For the Nine Month Period Ended September 30, 2015 Compared to the Nine Month Period Ended September 30, 2014

The following table presents consolidated revenue and expense information for the nine month periods ended September 30, 2015 and 2014. This information was derived from the unaudited condensed consolidated revenue and expense accounts of Navios Holdings for the respective periods.

(in thousands of U.S. dollars)	Nine Month Period Ended September 30, 2015 (unaudited)	Nine Month Period Ended September 30, 2014 (unaudited)
Revenue	$ 369,074	$ 420,191
Administrative fee revenue from affiliates	11,946	10,512

Time charter, voyage and logistics business expenses		(191,176)		(187,198)
Direct vessel expenses		(100,316)		(97,953)
General and administrative expenses incurred on behalf of affiliates		(11,946)		(10,512)
General and administrative expenses		(21,782)		(28,382)
Depreciation and amortization		(76,040)		(78,300)
Interest expense and finance cost, net		(83,410)		(84,507)
Loss on bond extinguishment				(27,281)
Other expense		(11,944)		(7,807)
Loss before equity in net earnings of affiliated companies	**$**	**(115,594)**	**$**	**(91,237)**
Equity in net earnings of affiliated companies		48,708		34,591
Loss before taxes	**$**	**(66,886)**	**$**	**(56,646)**
Income tax benefit/(expense)		888		(1,101)
Net loss	**$**	**(65,998)**	**$**	**(57,747)**
Less: Net (income)/loss attributable to the noncontrolling interest		(7,554)		6,525
Net loss attributable to Navios Holdings common stockholders	**$**	**(73,552)**	**$**	**(51,222)**

Table of Contents

Set forth below are selected historical and statistical data for the Drybulk Vessel Operations segment for each of the nine month periods ended September 30, 2015 and 2014 that the Company believes may be useful in better understanding the Company s financial position and results of operations.

	Nine Month Period Ended September 30,	
	2015 (unaudited)	2014 (unaudited)
FLEET DATA		
Available days	17,429	16,006
Operating days	17,188	15,972
Fleet utilization	98.6%	99.8%
Equivalent vessels	64	59
AVERAGE DAILY RESULTS		
Time Charter Equivalents	$ 7,776	$ 12,084

During the nine month period ended September 30, 2015, there were 1,423 more available days as compared to the same period in 2014, due to (i) an increase in available days for owned vessels by 205 days mainly due to the delivery of the Navios Gem and the Navios Ray in the second and fourth quarters of 2014, respectively; and (ii) an increase in charter-in fleet available days by 1,218 days.

The average TCE rate for the nine month period ended September 30, 2015 was $7,776 per day, $4,308 per day lower than the rate achieved in the same period in 2014. This was due primarily to the decrease in the freight market during the nine month period ended September 30, 2015 as compared to the same period in 2014.

Revenue: Revenue from drybulk vessel operations for the nine months ended September 30, 2015 was $170.4 million as compared to $225.5 million for the same period during 2014. The decrease in drybulk revenue was mainly attributable to a decrease in the TCE rate per day by 35.7% to $7,776 per day in the nine month period ended September 30, 2015. This decrease was partially mitigated by an increase in available days of our fleet by 1,423 days, as described above.

Revenue from the logistics business was $198.6 million for the nine months ended September 30, 2015 as compared to $194.7 million for the same period of 2014. This increase was mainly attributable to (i) an increase in products transported and rates charged in the dry port terminal; and (ii) an increase in the cabotage fleet s operating days. This increase was partially mitigated by a decrease in the volume of liquid cargo transported in the barge business and a decrease in sales of products in the liquid terminal.

Administrative Fee Revenue From Affiliates: Administrative fee revenue from affiliates increased by $1.4 million, or 13.6%, to $11.9 million for the nine month period ended September 30, 2015, as compared to $10.5 million for the same period in 2014. See general and administrative expenses discussion below.

Time Charter, Voyage and Logistics Business Expenses: Time charter, voyage and logistics business expenses increased by $4.0 million, or 2.1%, to $191.2 million for the nine month period ended September 30, 2015, as compared to $187.2 million for the nine month period ended September 30, 2014.

The time charter and voyage expenses from drybulk vessel operations increased by $17.1 million, or 14.7%, to $133.6 million for the nine month period ended September 30, 2015, as compared to $116.5 million for the nine month period ended September 30, 2014. This was primarily due to (i) an increase in charter-in days; (ii) an increase in fuel expenses; and (iii) an increase in loss voyages in the current period.

Of the total amounts of time charter, voyage and logistics business expenses for the nine month periods ended

September 30, 2015 and 2014, $57.5 million and $70.7 million, respectively, were related to Navios Logistics. The decrease in time charter, voyage and logistics business expenses was mainly due to (i) lower fuel expenses in the barge business as a result of lower voyages performed under COA contracts; and (ii) lower cost of products sold in the liquid terminal. This decrease was partially mitigated by an increase in volumes transported through the dry and liquid port facilities, and an increase in voyage expenses of the cabotage fleet.

Direct Vessel Expenses: Direct vessel expenses increased by $2.4 million, or 2.4%, to $100.3 million for the nine month period ended September 30, 2015, as compared to $97.9 million for the same period in 2014. Direct vessel expenses include crew costs, provisions, deck and engine stores, lubricating oils, insurance premiums and costs for maintenance and repairs.

The direct vessel expenses from drybulk vessel operations decreased by $1.5 million, or 3.9%, to $38.0 million for the nine month period ended September 30, 2015, as compared to $39.5 million for the nine month period ended September 30, 2014. This decrease was mainly attributable to (i) a decrease in crew expenses; (ii) a decrease in amortization of dry dock expense; (iii) a decrease in insurance expenses; and (iv) a decrease in miscellaneous expenses.

Of the total amounts of direct vessel expenses for the nine month periods ended September 30, 2015 and 2014, $62.3 million and $58.4 million, related to Navios Logistics, respectively. The increase in direct vessel expenses related to Navios Logistics was mainly attributable to an increase in available days and crew costs in the cabotage business. This increase was partially offset by decreased repairs and maintenance and crew costs in the barge business.

General and Administrative Expenses Incurred on Behalf of Affiliates: General and administrative expenses incurred on behalf of affiliates increased by $1.4 million, or 13.3%, to $11.9 million for the nine month period ended September 30, 2015, as compared to $10.5 million for the same period in 2014. See general and administrative expenses discussion below.

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

(in thousands of U.S. dollars)	**Nine Month Period Ended September 30, 2015 (unaudited)**	**Nine Month Period Ended September 30, 2014 (unaudited)**
Administrative fee revenue from affiliates	$ (11,946)	$ (10,512)
General and administrative expenses incurred on behalf of affiliates	11,946	10,512
General and administrative expenses	21,782	28,382

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

(in thousands of U.S. dollars)	**2015 (unaudited)**	**2014 (unaudited)**
Drybulk Vessel Operations	$ 11,164	$ 16,956
Logistics Business	10,618	10,537
Sub-total	**21,782**	**27,493**
Credit risk insurance		889
General and administrative expenses	**$ 21,782**	**$ 28,382**

The decrease in general and administrative expenses by $6.6 million, or 23.3%, to $21.8 million for the nine month period ended September 30, 2015, as compared to $28.4 million for the nine month period ended September 30, 2014, was mainly attributable to (i) a $4.3 million decrease in payroll and other related costs; (ii) a $1.2 million decrease in professional, legal and audit fees (including credit risk insurance); and (iii) a $1.2 million decrease in other administrative expenses. The overall decrease was partially offset by a $0.1 million increase attributable to the logistics business.

Table of Contents

Depreciation and Amortization: For the nine month period ended September 30, 2015, depreciation and amortization decreased by $2.3 million, or 2.9%, to $76.0 million, as compared to $78.3 million for the same period in 2014. The decrease was primarily due to a decrease in depreciation and amortization of drybulk vessels by $3.1 million, mainly due to the early re-delivery of a vessel from its charterer and the subsequent write-off of its unfavorable lease and purchase option. This decrease was partially offset by an increase in depreciation and amortization of the logistics business by $0.8 million, mainly due to the depreciation of three new pushboats and 72 new dry barges, acquired in 2014.

Interest Expense and Finance Cost, Net: Interest expense and finance cost, net for the nine month period ended September 30, 2015 decreased by $1.1 million, or 1.3%, to $83.4 million, as compared to $84.5 million in the same period of 2014. This decrease was mainly due to (i) a $0.9 million decrease in interest expense and finance cost, net of the logistics business, mainly attributable to increased amount of interest capitalized; and (ii) a $0.6 million increase in interest income attributable to the drybulk vessel operations, mainly due to interest income from Navios Europe I and Navios Europe II. This decrease was partially offset by a $0.4 million increase in interest expense attributable to the drybulk vessel operations.

Other Expense, Net: Other expense, net increased by $4.1 million, or 53.0%, to $11.9 million for the nine month period ended September 30, 2015, as compared to $7.8 million for the same period in 2014. This increase was due to (i) a $1.1 million increase in other expense, net of drybulk vessel operations; and (ii) a $3.0 million increase in other expenses, net of the logistics business.

The increase in other expense, net of drybulk vessels operations was mainly due to (i) a $7.2 million decrease in income, relating to the sale of a defaulted counterparty claim to an unrelated third party during 2014; (ii) a $3.6 million decrease in income relating to the termination of the credit default insurance policy in 2014; (iii) a $1.3 million increase in claims under the Navios Partners Guarantee (as defined below) during 2015; and (iv) a $1.8 million increase in expense relating to the reclassification to earnings of available-for-sale securities for an other-than-temporary impairment during 2015. This increase was partially mitigated by (i) a $11.6 million decrease in expense relating to the reclassification to earnings of available-for-sale securities for an other-than-temporary impairment during 2014; (ii) a $0.9 million increase in gains from foreign exchange differences, and (iii) a $0.3 million decrease in other expense, net relating to miscellaneous voyage and operating expenses.

The increase in other expenses, net of the logistics business was mainly due to (i) higher taxes other-than-income taxes in the barge business; and (ii) a decrease in other income and foreign exchange differences in the port terminal business.

Equity in Net Earnings of Affiliated Companies: Equity in net earnings of affiliated companies increased by $14.1 million, or 40.8%, to $48.7 million for the nine month period ended September 30, 2015, as compared to $34.6 million for the same period in 2014. This increase was mainly due to a $16.5 million increase in investment income which was partially offset by a $2.4 million decrease in amortization of deferred gain from the sale of vessels to Navios Partners. The $16.5 million increase in investment income consisted of (i) $32.9 million relating to Navios Acquisition, (ii) $0.8 million relating to Navios Europe II; and (iii) $0.4 million relating to Navios Europe I. The total increase was partially mitigated by (i) a $17.2 million decrease in investment income from Navios Partners, and (ii) a $0.4 million decrease in investment income from Acropolis.

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

Income Tax Benefit / (Expense): Income tax benefit for the nine month period ended September 30, 2015 increased by $2.0 million, or 180.7%, to $0.9 million, as compared to a $1.1 million expense for the same period in 2014. The total change in income tax was attributable to Navios Logistics mainly due to the effect of the pretax losses of certain subsidiaries of the barge business.

Net (Income)/Loss Attributable to the Noncontrolling Interest: Net income attributable to noncontrolling interest increased by $14.1 million to $7.6 million of income for the nine month period ended September 30, 2015, as compared to $6.5 million of loss for the same period in 2014. This increase was mainly attributable to the logistics business net income for the nine month period ended September 30, 2015 compared to net loss in the same period in 2014.

Table of Contents

Liquidity and Capital Resources

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

The following table presents cash flow information derived from the unaudited condensed consolidated statements of cash flows of Navios Holdings for the nine month periods ended September 30, 2015 and 2014.

(in thousands of U.S. dollars)	**Nine Month Period Ended September 30, 2015 (unaudited)**	**Nine Month Period Ended September 30, 2014 (unaudited)**
Net cash provided by operating activities	$ 22,378	$ 33,775
Net cash used in investing activities	(27,624)	(165,908)
Net cash (used in)/provided by financing activities	(68,950)	234,394
(Decrease)/ increase in cash and cash equivalents	**(74,196)**	**102,261**
Cash and cash equivalents, beginning of period	247,556	187,831
Cash and cash equivalents, end of period	**$ 173,360**	**$ 290,092**

Cash provided by operating activities for the nine month period ended September 30, 2015 as compared to the nine month period ended September 30, 2014:

Net cash provided by operating activities decreased by $11.4 million to $22.4 million for the nine month period ended September 30, 2015, as compared to $33.8 million for the nine month period ended September 30, 2014. In determining net cash provided by operating activities, net loss is adjusted for the effects of certain non-cash items as discussed below.

The aggregate adjustments to reconcile net loss to net cash provided by operating activities was a $70.3 million gain for the nine month period ended September 30, 2015, which consisted mainly of the following adjustments: $76.0 million of depreciation and amortization, $9.5 million of amortization of deferred drydock and special survey costs, $3.3 million of amortization of deferred finance fees, $2.2 million relating to share-based compensation, $0.1 million provision for losses on accounts receivable and $1.8 million reclassification to earnings of available-for-sale securities for an other-than-temporary impairment. These adjustments were partially offset by a $0.9 million movement in income taxes and a $21.7 million movement in earnings in affiliates, net of dividends received.

The net cash inflow resulting from the change in operating assets and liabilities of $18.0 million for the nine month period ended September 30, 2015 resulted from a $16.3 million decrease in accounts receivable, a $24.4 million decrease in amounts due from affiliates, a $6.9 million increase in accounts payable and a $9.7 million decrease in inventories. These were partially offset by a $19.8 million payment for drydock and special survey costs, a $11.4 million decrease in accrued expenses, a $2.5 increase in prepaid expenses and other assets, a $2.1 million decrease in deferred income and a $3.5 million decrease in other long term liabilities.

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

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

Cash used in investing activities for the nine month period ended September 30, 2015 as compared to the nine month period ended September 30, 2014:

Cash used in investing activities was $27.6 million for the nine month period ended September 30, 2015, as compared to $165.9 million for the same period in 2014.

Cash used in investing activities for the nine months ended September 30, 2015 was the result of (i) $16.2 million in payments for the acquisition of common units and general partner units following Navios Partners offering in February 2015; (ii) $6.9 million in payments relating to deposits for the acquisition of two bulk carrier vessels scheduled for delivery in the first quarter of 2016; (iii) a $6.6 million loan to Navios Europe II; (iv) $0.2 million of payments in other fixed assets; (v) $6.7 million investment in Navios Europe II; and (vi) $15.1 million of payments relating to Navios Logistics as follows: (a) $0.8 million in payments for the transportation and other acquisition costs of new dry barges, (b) $4.6 million in payments for the expansion of the dry port terminal, (c) $4.6 million in payments for the construction of the three new pushboats; and (d) $5.1 million in payments for improvements and purchase of other fixed assets. The above was partially offset by (i) $14.6 million in dividends received from Navios Acquisition; and (ii) $9.5 million loan repayment from Navios Acquisition.

Cash used in investing activities for the nine months ended September 30, 2014 was the result of (i) $2.2 million used to purchase general partner units in Navios G.P. LLC, the general partner of Navios Partners (General Partner) following a Navios Partners common equity offering; (ii) $17.6 million in payments relating to deposits for the acquisition of two bulk carrier vessels scheduled for delivery in the third and fourth quarter of 2015; (iii) $3.1 million movement relating to Navios Acquisition s long term receivable; (iv) a $3.2 million loan to Navios Europe; (v) $72.0 million in payments for the acquisition of the N Bonanza and the Navios Gem in January and June 2014, respectively; (vi) $0.2 million of payments in other fixed assets and (vii) $78.5 million of payments relating to Navios Logistics as follows: (a) $4.4 million in deposits for the construction of three new pushboats; (b) $3.6 million for the acquisition and transport of three pushboats delivered in the first quarter of 2014; (c) $46.3 million for the construction and transport of new dry barges; (d) $16.1 million for the expansion of the dry port in Uruguay; (e) $4.3 million in payments for the acquisition of a second-hand bunker vessel in the third quarter of 2014; (f) $0.9 million in payments for the construction of a new conveyor belt in Nueva Palmira; and (g) $2.9 million for the purchase of other fixed assets. The above were partially offset by $10.9 million in dividends received from Navios Acquisition.

Cash (used in)/ provided by financing activities for the nine month period ended September 30, 2015 as compared to the nine month period ended September 30, 2014:

Cash used in financing activities was $69.0 million for the nine month period ended September 30, 2015, compared to cash provided by financing activities of $234.4 million for the same period in 2014.

Cash used in financing activities for the nine months ended September 30, 2015 was the result of (i) $31.0 million of payments performed in connection with the Company s outstanding indebtedness, of which $24.1 million related to installments for the year 2015 and the remaining $6.9 million to installments for the year 2016; (ii) $6.8 million for the payment of the balance of the purchase price for two companies acquired by Navios Logistics in 2014 (both acquisitions of intangible assets), (iii) $1.0 million relating to payments for capital lease obligations; and (iv) $31.4 million of dividends paid to the Company s stockholders. This was partially offset by a $1.2 million movement in restricted cash relating to loan repayments.

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

(i) $15.8 million of installments paid in connection with the Company s outstanding indebtedness; (ii) $290.0 million repayment of the 2019 Logistics Senior Notes (as defined herein); (iii) $22.2 million of dividends paid to the Company s stockholders; (iv) $10.9 million relating to payments for the acquisition of the noncontrolling interest in Navios Asia; and (v) $1.0 million relating to payments for capital lease obligations.

Adjusted EBITDA: EBITDA represents net (loss)/income attributable to Navios Holdings common stockholders before interest and finance costs before depreciation and amortization and income taxes. Adjusted EBITDA in this document represents EBITDA before stock-based compensation. Navios Holdings believes that Adjusted EBITDA is a basis upon which liquidity can be assessed and represents useful information to investors regarding Navios Holdings ability to service and/or incur indebtedness, pay capital expenditures, meet working capital requirements and pay dividends. Navios Holdings also believes that Adjusted EBITDA is used (i) by prospective and current lessors as well as potential lenders to evaluate potential transactions; and (ii) to evaluate and price potential acquisition candidates.

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

Adjusted EBITDA Reconciliation to Cash from Operations

	Three Months Ended	
(in thousands of U.S. dollars)	**September 30, 2015 (unaudited)**	**September 30, 2014 (unaudited)**
Net cash provided by/ (used in) operating activities	$ 20,639	$ (6,717)
Net increase/ (decrease) in operating assets	30,837	(2,841)
Net (increase)/ decrease in operating liabilities	(45,771)	26,189
Net interest cost	27,534	27,940
Deferred finance charges	(1,135)	(943)
Provision for losses on accounts receivable	(95)	(377)
Equity in affiliates, net of dividends received	7,512	(2,693)
Payments for drydock and special survey	3,867	2,967
Noncontrolling interest	(3,850)	(1,111)
Reclassification to earnings of available-for-sale securities	(1,783)	
Adjusted EBITDA	**$ 37,755**	**$ 42,414**

Nine Months Ended

(in thousands of U.S. dollars)	September 30, 2015 (unaudited)	September 30, 2014 (unaudited)
Net cash provided by operating activities	$ 22,378	$ 33,775
Net (decrease)/ increase in operating assets	(28,671)	26,506
Net increase in operating liabilities	(9,142)	(21,739)
Net interest cost	83,410	84,507
Deferred finance charges	(3,290)	(2,679)
Expenses related to Navios Logistics bond extinguishment		(4,786)
Provision for losses on accounts receivable	(104)	(866)
Equity in affiliates, net of dividends received	21,674	7,291
Payments for drydock and special survey	19,783	7,694
Noncontrolling interest	(7,554)	6,525
Reclassification to earnings of available-for-sale securities	(1,783)	(11,553)
Adjusted EBITDA	**$ 96,701**	**$ 124,675**

Adjusted EBITDA for the three months ended September 30, 2015 was $37.8 million as compared to $42.4 million for the same period in 2014. The $4.6 million decrease in Adjusted EBITDA was primarily due to (i) a $21.6 million decrease in revenue; (ii) a $4.2 million increase in other expense, net; and (iii) a $2.8 million increase in net income attributable to the noncontrolling interest. This decrease of $28.6 million was mitigated by (i) a $9.1 million decrease in time charter, voyage and logistics business expenses; (ii) a $1.2 million decrease in general and administrative expenses (excluding share-based compensation expenses); (iii) a $11.7 million increase in equity in net earnings from affiliated companies; and (iv) a $2.0 million decrease in direct vessel expenses (excluding the amortization of deferred drydock and special survey costs).

Adjusted EBITDA for the nine months ended September 30, 2015 was $96.7 million as compared to $124.7 million for the same period of 2014. The $28.0 million decrease in Adjusted EBITDA was primarily due to (i) a $51.1 million decrease in revenue; (ii) a $4.0 million increase in time charter, voyage and logistics business expenses; (iii) a $1.8 million increase in direct vessel expenses (excluding the amortization of deferred drydock and special survey costs); (iv) a $4.2 million increase in other expense, net; and (v) a $14.1 million increase in net income attributable to the noncontrolling interest. This overall decrease of $75.2 million was partially mitigated by (i) a $5.8 million decrease in general and administrative expenses (excluding share-based compensation expenses); (ii) a $27.3 million decrease in loss on bond extinguishment; and (ii) a $14.1 million increase in equity in net earnings from affiliated companies.

Long-Term Debt Obligations and Credit Arrangements

Secured Credit Facilities

As of September 30, 2015, the Company had secured credit facilities with various banks with a total outstanding balance of $238.1 million. The purpose of the facilities was to finance the construction or acquisition of vessels or refinance existing indebtedness. All of the facilities are denominated in U.S. Dollars and bear interest based on LIBOR plus spread ranging from 2.25% to 3.60% per annum. The facilities are repayable in either semi-annual or quarterly installments, followed by balloon payments with maturities, ranging from September 2018 to November 2022. See also the maturity table included below.

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

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

As of September 30, 2015, the Company was in compliance with all of the covenants under each of its credit facilities.

Senior Notes

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

The 2019 Notes are fully and unconditionally guaranteed, jointly and severally and on an unsecured senior basis, by all of the Company s subsidiaries, other than Navios Maritime Finance II (US) Inc., Navios Maritime Finance (US) Inc., Navios Logistics and its subsidiaries and Navios GP L.L.C. The subsidiary guarantees are full and unconditional , except that the indenture provides for an individual subsidiary s guarantee to be automatically released in certain customary circumstances, such as when a subsidiary is

20

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

The 2019 Notes contain covenants which, among other things, limit the incurrence of additional indebtedness, issuance of certain preferred stock, the payment of dividends, redemption or repurchase of capital stock or making restricted payments and investments, creation of certain liens, transfer or sale of assets, entering in transactions with affiliates, merging or consolidating or selling all or substantially all of the 2019 Co-Issuers properties and assets and creation or designation of restricted subsidiaries. The 2019 Co-Issuers were in compliance with the covenants as of September 30, 2015.

Ship Mortgage Notes

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

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

Furthermore, upon occurrence of certain change of control events, the holders of the 2022 Notes may require the 2022 Co-Issuers to repurchase some or all of the notes at 101% of their face amount. The 2022 Notes contain covenants, which among other things, limit the incurrence of additional indebtedness, issuance of certain preferred stock, the payment of dividends, redemption or repurchase of capital stock or making restricted payments and investments, creation of certain liens, transfer or sale of assets, entering into certain transactions with affiliates, merging or consolidating or selling all or substantially all of the 2022 Co-Issuers properties and assets and creation or designation of restricted subsidiaries. The 2022 Co-Issuers were in compliance with the covenants as of September 30, 2015.

2022 Logistics Senior Notes

On April 22, 2014, Navios Logistics and its wholly- owned subsidiary Navios Logistics Finance (US) Inc. (Logistics Finance and, together, the Logistics Co-Issuers) completed the sale of $375.0 million in aggregate principal amount of senior notes due on May 1, 2022 at a fixed rate of 7.25% (the 2022 Logistics Senior Notes). The net proceeds from the sale of the 2022 Logistics Senior Notes were partially used to redeem any and all of Navios Logistics then-outstanding 9.25% Senior Notes due 2019 and pay related transaction fees and expenses. The 2022 Logistics Senior Notes are unregistered and fully and unconditionally guaranteed, jointly and severally, by all of Navios Logistics direct and indirect subsidiaries except for Horamar do Brasil Navegação Ltda (Horamar do Brasil), Naviera Alto Parana S.A. (Naviera Alto Parana), and Terra Nova S.A. (Terra Nova), which are deemed to be immaterial, and Logistics Finance, which is the co-issuer of the 2022 Logistics Senior Notes. The subsidiary guarantees are full and unconditional , except that the indenture provides for an individual subsidiary s guarantee to be automatically released in certain customary circumstances, such as in connection with a sale or other disposition of all or substantially all of the assets of the subsidiary, in connection with the sale of a majority of the capital stock of the subsidiary, if the subsidiary is designated as an unrestricted subsidiary in accordance with the indenture, upon liquidation or dissolution of the subsidiary or upon legal or covenant defeasance or satisfaction and discharge of the 2022 Logistics Senior Notes.

Table of Contents

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

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

The Logistics Co-Issuers were in compliance with the covenants as of September 30, 2015.

During the nine month period ended September 30, 2015, the Company, in relation to its secured credit facilities, paid $31.0 million, of which $24.1 million related to installments for the year 2015 and the remaining $6.9 million to installments for the year 2016.

The annualized weighted average interest rates of the Company s total borrowings were 6.98% and 7.00% for the three month periods ended September 30, 2015 and 2014, respectively, and 6.99% and 7.24% for the nine month periods ended September 30, 2015 and 2014, respectively.

The maturity table below reflects the principal payments for the next five years and thereafter of all borrowings of Navios Holdings (including Navios Logistics) outstanding as of September 30, 2015, based on the repayment schedules of the respective loan facilities (as described above) and the outstanding amount due under the debt securities.

Payment due by period	**Amounts in millions of U.S. dollars**
September 30, 2016	$ 13.9
September 30, 2017	22.8
September 30, 2018	45.6
September 30, 2019	393.6
September 30, 2020	52.8
September 30, 2021 and thereafter	1,084.8
Total	**$ 1,613.5**

Table of Contents

Contractual Obligations:

	September 30, 2015 Payment due by period (Amounts in millions of U.S. dollars)				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term Debt[(1)]	$ 1,613.5	$ 13.9	$ 68.4	$ 446.4	$ 1,084.8
Operating Lease Obligations (Time Charters) for vessels in operation[(2)]	432.5	87.9	142.7	113.4	88.5
Operating Lease Obligations (Time Charters) for vessels to be delivered[(4)]	304.1	17.0	79.6	81.5	126.0
Operating Lease Obligations Push Boats and Barges	1.0	1.0			
Capital Lease Obligations	21.2	3.0	4.8	13.4	
Dry vessel deposits[(3)]	58.7	58.7			
Navios Logistics contractual payments[(4)]	110.8	98.4	12.4		
Rent Obligations[(5)]	9.6	3.2	5.1	1.3	
Total	**$ 2,551.4**	**$ 283.1**	**$ 313.0**	**$ 656.0**	**$ 1,299.3**

(1) The amount identified does not include interest costs associated with the outstanding credit facilities, which are based on LIBOR rates, plus the costs of complying with any applicable regulatory requirements and a margin ranging from 2.25% to 3.60% per annum. The amount does not include interest costs for the 2019 Notes, the 2022 Notes, and the 2022 Logistics Senior Notes. The expected interest payments are: $111.2 million (less than 1 year), $220.1 million (1-3 years), $167.8 million (3-5 years) and $118.6 million (more than 5 years). Expected interest payments are based on outstanding principal amounts, currently applicable effective interest rates and margins as of September 30, 2015, timing of scheduled payments and the term of the debt obligations.

(2) Approximately 38% of the time charter payments included above are estimated to relate to operational costs for these vessels.

(3) Future remaining contractual deposits are for two newbuilding owned vessels, which are expected to be delivered in the first quarter of 2016, of which up to $48.0 million is expected to be paid through debt financing and the balance through cash on hand.

(4) Navios Logistics future remaining contractual payments for the acquisition of three new pushboats and chartered-in fleet consisting of one pushboat and three liquid barges, and the payment for works related to the expansion of its dry port facility, which is expected to be financed through committed export financing up to $42.0 million (including all costs related to the export financing) and cash on hand.

(5) Navios Corporation also leases approximately 16,703 square feet of space in New York pursuant to a lease that expires in 2019. Navios Shipmanagement Inc. and Navios Corporation lease approximately 3,882 square meters of space in Piraeus, Greece, pursuant to lease agreements that expire in 2017 and 2019. Navios Shipmanagement Inc. also leases office space in Monaco pursuant to a lease that expires in June 2018. On July 1, 2010, Kleimar N.V. signed a new contract and currently leases approximately 632 square meters for its offices, pursuant to a lease that expires in 2019. Navios Tankers Management Inc. leases approximately for 254 square meters in Piraeus, Greece pursuant to a lease that expires in 2019. The table above incorporates the lease obligations of the offices of Navios Holdings, indicated in this footnote, and of Navios Logistics. See also Item 4.B. Business

Overview Facilities in our Annual Report on Form 20-F for the year ended December 31, 2014, filed with the SEC.

Refer to Related Party Transactions for Navios Partners Guarantee (as defined herein) amounting to $1.3 million, not reflected in the table above.

Navios Holdings, Navios Acquisition and Navios Partners will also make available to Navios Europe I (in each case, in proportion to their ownership interests in Navios Europe I) revolving loans of up to $24.1 million to fund working capital requirements (collectively, the Navios Revolving Loans I). As of September 30, 2015, Navios Holding s portion of the undrawn amount relating to the Navios Revolving Loans I was $4.3 million.

Navios Holdings, Navios Acquisition and Navios Partners will make available to Navios Europe II (in each case, in proportion to their ownership interests in Navios Europe II) revolving loans of up to $38.5 million to fund working capital requirements (collectively, the Navios Revolving Loans II). As of September 30, 2015, Navios Holding s portion of the undrawn amount relating to the Navios Revolving Loans II was $11.7 million.

Working Capital Position

On September 30, 2015, Navios Holdings current assets totaled $315.3 million, while current liabilities totaled $201.1 million, resulting in a positive working capital position of $114.2 million. Navios Holdings cash forecast indicates that it will generate sufficient cash 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 through September 30, 2016.

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

Capital Expenditures

On January 26, 2014, Navios Holdings entered into agreements to purchase two bulk carrier vessels, one 84,000 dwt Panamax vessel and one 180,600 dwt Capesize vessel, to be built in Japan. The vessels acquisition prices are $31.8 million and $52.0 million and are scheduled for delivery in the first quarter of 2016. During the nine month period ended September 30, 2015, Navios Holdings paid deposits for both vessels totaling $29.0 million.

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

On February 11, 2014, Navios Logistics entered into an agreement for the construction of three newbuilding pushboats with a purchase price of $7.6 million for each pushboat. As of September 30, 2015, Navios Logistics had paid $11.5 million for the construction of the new pushboats which are expected to be delivered in the first quarter of 2016.

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

On December 15, 2014, Navios Logistics acquired two companies for a total consideration of $17.0 million. These companies, as free zone direct users, hold the right to occupy approximately 53 acres of undeveloped riverfront land located in the Nueva Palmira free zone in Uruguay, adjacent to Navios Logistics existing port. On September 15, 2015, Navios Logistics paid $6.8 million, representing the balance of the purchase price for this acquisition.

On June 30, 2015, Navios Logistics entered into an agreement for the restructuring of its capital leases for the Ferni H and the San San H, by extending their duration until January 2020 and April 2020, respectively, and amending the purchase price obligation to $5.3 million and $5.2 million, respectively, payable at the end of the extended period. As of September 30, 2015, the obligations for these vessels were accounted for as capital leases and the lease payments during the nine month period ended September 30, 2015 were $1.0 million.

As of September 30, 2015, Navios Logistics had paid $22.7 million relating to the expansion of its dry port in Uruguay.

Dividend Policy

Navios Holdings consistently returned capital through its dividend program to its shareholders since August of 2005. Currently, Navios Holdings intends to retain its available earnings generated by operations for the development and growth of its business. In addition, the terms and provisions of Navios Holdings current secured credit facilities and indentures limit its ability to pay dividends in excess of certain amounts or if certain covenants are not met. The declaration and payment of any dividends in the future remains subject to the discretion of the Board of Directors, and will depend on, among other things, Navios Holdings cash requirements after taking into account market opportunities, debt obligations, and restrictions contained in its credit agreements and indentures and market conditions.

Share Repurchase Authorization

Navios Holdings has authorised an up to $25.0 million share repurchase program that is effective for the period ending December 31, 2017. Any purchases of shares will be made from time to time in open market transactions at prevailing market prices or in privately negotiated transactions. The timing and amount of purchases will be determined by management based upon our results of operation and financial condition and capital resources and liquidity, market conditions restrictions under our credit agreements and indentures and other factors and may be made pursuant to a program adopted under Rule 10b5-1 under the Securities Exchange Act. There is no minimum purchase amount or specific number of shares the Company has committed to buy, and the program may be suspended or reinstated at any time at Navios Holdings discretion and without notice.

Table of Contents

Concentration of Credit Risk

Accounts receivable

Concentrations of credit risk with respect to accounts receivable are limited due to Navios Holdings large number of customers, who are internationally dispersed and have a variety of end markets in which they sell. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in Navios Holdings trade receivables. For the nine months ended September 30, 2015 and 2014, only one customer accounted for more than 10% of the Company s revenue.

Cash deposits with financial institutions

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

Effects of Inflation

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

Off-Balance Sheet Arrangements

Charter hire payments to third parties for chartered-in vessels, barges and pushboats are treated as operating leases for accounting purposes. Navios Holdings is also committed to making rental payments under operating leases for its office premises. Future minimum rental payments under Navios Holdings non-cancelable operating leases are included in the contractual obligations schedule above. As of September 30, 2015, Navios Holdings was contingently liable for letters of guarantee and letters of credit amounting to $0.6 million issued by various banks in favor of various organizations and the total amount was collateralized by cash deposits, which are included as a component of restricted cash.

In November 2012 (as amended to update for charters in March 2014), the Company entered into an agreement with Navios Partners that provided Navios Partners with guarantees against counterparty default on certain existing charters (the Navios Partners Guarantee), which had previously been covered by the charter insurance for the same vessels, same periods and same amounts. The Navios Partners Guarantee provides for a maximum possible payout of $20.0 million by the Company to Navios Partners. Premiums that are calculated on the same basis as the restructured charter insurance are included in the management fee that is paid by Navios Partners to Navios Holdings pursuant to the management agreement. As of September 30, 2015, Navios Partners has submitted one claim under this agreement to the Company. Its fair value amounted to $1.3 million and was recorded as Other expense for the three and nine month periods ended September 30, 2015. The Company assessed this liability using a probability weighted assessment, and although the Company believes that the underlying assumptions supporting this assessment are reasonable, if these assumptions vary significantly, Navios Holdings may be exposed to additional charges in the future.

The Company is involved in various disputes and arbitration proceedings arising in the ordinary course of business. Provisions have been recognized in the financial statements for all such proceedings where the Company believes that a liability may be probable, and for which the amounts can be reasonably estimated, based upon facts known on the date the financial statements were prepared. Although the Company cannot predict with certainty the ultimate resolutions of these matters, in the opinion of management, the ultimate disposition of these matters is not expected to have a materials adverse effect on the Company s financial position, results of operations or liquidity.

Navios Logistics issued a guarantee and indemnity letter that guarantees the performance by Petrolera San Antonio S.A. of all its obligations to Vitol S.A. up to $12.0 million. This guarantee expires on March 1, 2016.

Related Party Transactions

Office Rent: The Company has entered into lease agreements with Goldland Ktimatiki-Ikodomiki-Touristiki Xenodohiaki Anonimos Eteria and Emerald Ktimatiki-Ikodomiki Touristiki Xenodohiaki Anonimos Eteria, both of which are Greek corporations that are currently majority-owned by Angeliki Frangou, Navios Holdings Chairman and Chief Executive Officer. The lease agreements provide for the leasing of facilities located in Piraeus, Greece to house the operations of most of the Company s subsidiaries. The total annual lease payments are in the aggregate 0.9 million (approximately $1.1 million) and the lease agreements expire in 2017 and 2019. These payments are subject to annual adjustments, which are based on the inflation rate prevailing in Greece as reported by the Greek State at the end of each year.

Purchase of Services: The Company utilizes its affiliate company, Acropolis, as a broker. Navios Holdings has a 50% interest in Acropolis. Although Navios Holdings owns 50% of Acropolis stock, the two shareholders have agreed that the earnings and amounts declared by way of dividends will be allocated 35% to the Company with the balance to the other shareholder. Commissions charged by Acropolis for both the three and nine month periods ended September 30, 2015 and 2014 were $0 and $0, respectively. Included in the trade accounts payable at both September 30, 2015 and December 31, 2014 was an amount due to Acropolis of $0.1 million.

Vessels Charter Hire: In February 2012, the Company chartered-in from Navios Partners the Navios Apollon, a 2000-built Ultra-Handymax vessel. The term of this charter was approximately two years at a net daily rate of $12,500 for the first year and $13,500 for the second year, plus 50/50 profit sharing based on actual earnings. In January 2014, the Company extended this charter for approximately six months at a net daily rate of $13,500 plus 50/50 profit sharing based on actual earnings and in October 2014, the Company further extended this charter for approximately one year at a net daily rate of $12,500 plus 50/50 profit sharing based on actual earnings. In April 2015, this charter was further extended for approximately one year at a net daily rate of $12,500 plus 50/50 profit sharing based on actual earnings, at the end of the period. Any adjustment by the charterers for hire expense/loss will be settled accordingly at the end of the charter period.

In May 2012, the Company chartered-in from Navios Partners the Navios Prosperity, a 2007-built Panamax vessel. The term of this charter was approximately one year with two six-month extension options granted to the Company at a net daily rate of $12,000 plus profit sharing. In April 2014, the Company extended this charter for approximately one year and the owners received 100% of the first $1,500 in profits above the base rate, and thereafter all profits will be split 50/50 to each party. Effective from March 5, 2015, Navios Holdings and Navios Partners entered into a novation agreement with the respective owners of Navios Prosperity whereby the rights to the time charter contracts of the Navios Prosperity were transferred to Navios Holdings. On July 2, 2015, Navios Prosperity was redelivered to the headowners.

In September 2012, the Company chartered-in from Navios Partners the Navios Libra, a 1995-built Panamax vessel. The term of this charter was approximately three years at a net daily rate of $12,000 plus 50/50 profit sharing based on actual earnings. In April 2015, this charter was further extended for approximately one year at a net daily rate of $12,000 plus 50/50 profit sharing based on actual earnings, at the end of the period. Any adjustment by the charterers for hire expense/loss will be settled accordingly at the end of the charter period.

In May 2013, the Company chartered-in from Navios Partners the Navios Felicity, a 1997-built Panamax vessel. The term of this charter was approximately one year, at a net daily rate of $12,000 plus profit sharing, with two six-month extension options granted to the Company. The owners will receive 100% of the first $1,500 in profits above the base rate, and thereafter all profits will be split 50/50 to each party. In February 2014, the Company exercised its first option to extend this charter, and in August 2014, the Company exercised its second option. In April 2015, this charter was further extended for approximately one year at a net daily rate of $12,000 plus 50/50 profit sharing based on actual earnings, at the end of the period. Any adjustment by the charterers for hire expense/loss will be settled accordingly at the end of the charter period.

In May 2013, the Company chartered-in from Navios Partners the Navios Aldebaran, a 2008-built Panamax vessel, for six months, at a net daily rate of $11,000 plus profit sharing, with a six-month extension option. In December 2013, the Company exercised its option to extend this charter. The owners will receive 100% of the first $2,500 in profits above the base rate, and thereafter all profits will be split 50/50 to each party. In July 2014, the Company further extended this charter for approximately six to nine months. Effective from February 28, 2015, Navios Holdings and Navios Partners entered into a novation agreement with the respective owners of Navios Aldebaran whereby the rights to the time charter contracts of the Navios Aldebaran were transferred to Navios Holdings.

In July 2013, the Company chartered-in from Navios Partners the Navios Hope, a 2005-built Panamax vessel. The term of this charter was approximately one year at a net daily rate of $10,000. In December 2013, the Company extended this charter for approximately another six months and in January 2015 the Company extended this charter for approximately one year, at a net daily rate of $10,000 plus 50/50 profit sharing based on actual earnings. Any adjustment by the Company for hire expense/loss will be settled accordingly at the end of the charter period.

In August 2014, the Company chartered-in from Navios Partners the Navios Pollux, a 2009-built Capesize vessel, for approximately three months at a net daily rate of $21,300, which was completed in November 2014. In February 2015, the Company chartered-in the Navios Pollux, for approximately one year at a daily rate of $11,400 net per day plus 50/50 profit sharing based on actual earnings. Any adjustment by the Company for hire expense/loss will be settled accordingly at the end of the charter period.

In March 2015, the Company chartered-in from Navios Partners the Navios Gemini, a 1994-built Panamax vessel. The term of this charter is approximately nine months at a net daily rate of $7,600 plus 50/50 profit sharing based on actual earnings. Any adjustment by the Company for hire expense/loss will be settled accordingly at the end of the charter period.

In April 2015, the Company chartered-in from Navios Partners the Navios Fantastiks, a 2005-built Capesize vessel. The terms of this charter is approximately at a net daily rate of $12,500 plus 50/50 profit sharing based on actual earnings. Any adjustment by the Company for hire expense/loss will be settled accordingly at the end of the charter period.

In April 2015, the Company chartered-in from Navios Partners the Navios Sun, the Navios Orbiter, the Navios Soleil, the Navios Alegria, the Navios Harmony and the Navios Hyperion. The terms of these charters are at a net daily rate of $12,000 plus 50/50 profit sharing on actual earnings. Any adjustment by the Company for hire expense/loss will be settled accordingly at the end of the charter period.

Total charter hire expense for all vessels for the three month periods ended September 30, 2015 and 2014 were $13.8 million and $7.8 million, respectively, and for the nine month periods ended September 30, 2015 and 2014 were $28.7 million and $20.5 million, respectively, and were included in the statement of comprehensive loss under Time charter, voyage and logistics business expenses .

Management Fees: Navios Holdings provides commercial and technical management services to Navios Partners vessels for a daily fixed fee. The daily fees were $4,700 per owned Ultra Handymax vessel, $4,600 per owned Panamax vessel and $5,700 per owned Capesize vessel until December 31, 2013. This daily fee covered all of the vessels operating expenses, including the cost of drydock and special surveys. In each of October 2013, August 2014 and February 2015, the Company amended its existing management agreement with Navios Partners to fix the fees for ship management services of its owned fleet at: (i) $4,000 daily rate per Ultra-Handymax vessel; (ii) $4,100 daily rate per Panamax vessel; (iii) $5,100 daily rate per Capesize vessel; (iv) $6,500 daily rate per container vessel of TEU 6,800; (v) $7,200 daily rate per container vessel of more than TEU 8,000; and (vi) $8,500 daily rate per very large container vessel of more than TEU 13,000 through December 31, 2015. Drydocking expenses under this agreement will be reimbursed by Navios Partners at cost at occurrence. Total management fees for the three month periods ended September 30, 2015 and 2014 amounted to $14.5 million and $12.6 million, respectively, and for the nine month periods ended September 30, 2015 and 2014, amounted to $42.0 million and $36.9 million, respectively, and are presented net under the caption Direct vessel expenses .

Navios Holdings provides commercial and technical management services to Navios Acquisition s vessels for a daily fee that was fixed until May 2014. of $6,000 per owned MR2 product tanker and chemical tanker vessel, $7,000 per owned LR1 product tanker vessel and $10,000 per owned VLCC vessel. This daily fee covers all of the vessels operating expenses, other than certain fees and costs. Actual operating costs and expenses will be determined in a manner consistent with how the initial fixed fees were determined. Drydocking expenses until May 2014 were fixed under this agreement for up to $0.3 million per LR1 and MR2 product tanker vessel and will be reimbursed at cost for VLCC vessels. In May 2014, Navios Holdings extended the duration of its existing management agreement with Navios Acquisition until May 2020 and fixed the fees for ship management services of Navios Acquisition owned fleet for two additional years through May 2016 at the same rates for product tanker and chemical tanker vessels, and reduced the daily rate to $9,500 per VLCC vessel. Drydocking expenses under this agreement will be reimbursed at cost at occurrence for all vessels.

Effective March 30, 2012, Navios Acquisition can, upon request to Navios Holdings, partially or fully defer the reimbursement of drydocking and other extraordinary fees and expenses under the management agreement to a later date, but not later than January 5, 2016, and if reimbursed on a later date, such amounts will bear interest at a rate of 1% per annum over LIBOR. Effective September 28, 2012, Navios Acquisition can, upon request, reimburse Navios Holdings partially or fully for any fixed management fees outstanding for a period of not more than nine months under the management agreement at a later date, but not later than January 5, 2016, and if reimbursed on a later date, such amounts will bear interest at a rate of 1% per annum over LIBOR. Total management fees for the three month periods ended September 30, 2015 and 2014 amounted to $23.1 million and $25.1 million, respectively, and for the nine month periods ended September 30, 2015 and 2014 amounted to $71.4 million and $71.2 million, respectively, and are presented net under the caption Direct vessel expenses . As of September 30, 2015 there was no balance outstanding.

Table of Contents

Pursuant to a management agreement dated December 13, 2013, Navios Holdings provides commercial and technical management services to Navios Europe I s tanker and container vessels. The term of this agreement is for a period of six years. Management fees under this agreement will be reimbursed at cost at occurrence. Total management fees for the three month periods ended September 30, 2015 and 2014 amounted to $4.9 million and $5.6 million, respectively, and for the nine month periods ended September 30, 2015 and 2014 amounted to $15.1 million and $14.9, respectively, and are presented net under the caption Direct vessel expenses .

Pursuant to a management agreement dated November 18, 2014, Navios Holdings provides commercial and technical management services to Navios Midstream s vessels for a daily fixed fee of $9,500 per owned VLCC vessel effective through November 18, 2016. Drydocking expenses under this agreement will be reimbursed at cost at occurrence for all vessels. The term of this agreement is for a period of five years. Total management fees for the three month periods ended September 30, 2015 and 2014 amounted to $5.3 million and $0, respectively, and for the nine month periods ended September 30, 2015 and 2014 amounted to $12.4 million and $0, respectively, and are presented net under the caption Direct vessel expenses .

Pursuant to a management agreement dated June 5, 2015, Navios Holdings provides commercial and technical management services to Navios Europe II s dry bulker and container vessels. The term of this agreement is for a period of six years. Management fees under this agreement will be reimbursed at cost at occurrence. Total management fees for the three month periods ended September 30, 2015 and 2014 amounted to $3.8 million and $0, respectively, and for the nine month periods ended September 30, 2015 and 2014 amounted to $4.2 million and $0, respectively, and are presented net under the caption Direct vessel expenses .

Navios Partners Guarantee: Contemporaneously with the Insurance Restructuring, in November 2012 (as amended in March 2014), the Company entered into an agreement with Navios Partners (the Navios Partners Guarantee) to provide Navios Partners with guarantees against counterparty default on certain existing charters, which had previously been covered by the charter insurance for the same vessels, same periods and same amounts. The Navios Partners Guarantee provides for a maximum possible payout of $20.0 million by the Company to Navios Partners. Premiums that are calculated on the same basis as the restructured charter insurance are included in the management fee that is paid by Navios Partners to Navios Holdings pursuant to the management agreement. As of September 30, 2015, Navios Partners has submitted one claim under this agreement to the Company. Its fair value amounted to $1.3 million and was recorded as Other expense for the three and nine month periods ended September 30, 2015. The Company assessed this liability using a probability weighted assessment, and although the Company believes that the underlying assumptions supporting this assessment are reasonable, if these assumptions vary significantly, Navios Holdings may be exposed to additional charges in the future.

General and Administrative Expenses incurred on behalf of affiliates/Administrative Fee Revenue from affiliates: Navios Holdings provides administrative services to Navios Partners. Navios Holdings is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Total general and administrative fees charged for the three month periods ended September 30, 2015 and 2014 amounted to $1.6 million and $1.5 million, respectively, and for the nine month periods ended September 30, 2015 and 2014 amounted to $4.7 million and $4.5 million, respectively.

On May 28, 2010, Navios Holdings entered into an administrative services agreement with Navios Acquisition, pursuant to which Navios Holdings provides office space and certain administrative management services to Navios Acquisition. In May 2014, Navios Holdings extended the duration of its existing administrative services agreement with Navios Acquisition, until May 2020 pursuant to its existing terms. Navios Holdings is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Total general and administrative fees charged for the three month periods ended September 30, 2015 and 2014 amounted to $1.8 million and $1.9 million, respectively, and for the nine month periods ended September 30, 2015 and 2014 amounted to $5.7 million and $5.4 million, respectively.

On April 12, 2011, Navios Holdings entered into an administrative services agreement with Navios Logistics for a term of five years, pursuant to which Navios Holdings will provide certain administrative management services to Navios Logistics. Navios Holdings is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Total general and administrative fees charged for both the three month periods ended September 30, 2015 and 2014 amounted to $0.2 million, and for both the nine month periods ended September 30, 2015 and 2014 amounted to $0.6 million. The general and administrative fees have been eliminated upon consolidation.

Pursuant to an administrative services agreement dated December 13, 2013, Navios Holdings provides administrative services to Navios Europe I s tanker and container vessels. The term of this agreement is for a period of six years. Navios Holdings is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Total general and administrative fees charged for both the three month periods ended September 30, 2015 and 2014 amounted to $0.2 million, and for both the nine month periods ended September 30, 2015 and 2014 amounted to $0.6 million.

Pursuant to an administrative services agreement dated November 18, 2014, Navios Holdings provides administrative services to Navios Midstream. The term of this agreement is for a period of five years. Navios Holdings is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Total general and administrative fees for the three month periods ended September 30, 2015 and 2014 amounted to $0.3 million and $0, respectively, and for the nine month periods ended September 30, 2015 and 2014 amounted to $0.7 million and $0, respectively.

Pursuant to an administrative services agreement dated June 5, 2015, Navios Holdings provides administrative services to Navios Europe II s dry bulk and container vessels. The term of this agreement is for a period of six years. Navios Holdings is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Total general and administrative fees charged for the three month periods ended September 30, 2015 and 2014 amounted to $0.2 million and $0, respectively, and for the nine month periods ended September 30, 2015 and 2014 amounted to $0.3 million and $0, respectively.

Balance Due from/(to) Affiliates (excluding Navios Europe I & Navios Europe II): Balance due from affiliates as of September 30, 2015 amounted to $22.2 million (December 31, 2014: $33.4 million) which included the current amounts due from Navios Partners, Navios Acquisition and Navios Midstream, which were $22.2 million (December 31, 2014: $1.6 million) and $0 million (December 31, 2014: $22.1 million), and $0 (December 31, 2014: $0.1 million), respectively, and the non-current amount of $0 (December 31, 2014: $9.6 million) due from Navios Acquisition. The balances mainly consisted of management fees, administrative fees, drydocking and other expenses and other amounts payable.

Balance due to affiliates (excluding Navios Europe I & Navios Europe II) as of September 30, 2015 amounted to $21.3 million (December 31, 2014: $0) which consisted of advances from Navios Midstream and Navios Acquisition, which were $2.3 million and $19.0 million, respectively . The balance mainly consisted of management fees.

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

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

Navios Holdings entered into an omnibus agreement with Navios Midstream, Navios Acquisition and Navios Partners in connection with the Navios Midstream IPO, pursuant to which Navios Acquisition, Navios Holdings, Navios

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

Midstream General Partner Option Agreement: Navios Holdings entered into an option agreement, with Navios Acquisition, under which Navios Acquisition, which owns and controls Navios Midstream GP LLC, granted Navios Holdings the option to acquire a minimum of 25% of the outstanding membership interests in Navios Maritime Midstream GP LLC and the incentive distribution rights in Navios Midstream representing the right to receive an increasing percentage of the quarterly distributions when certain conditions are met. The option shall expire on November 18, 2024. The purchase price for the acquisition for all or part of the option interest shall be an amount equal to its fair market value. As of September 30, 2015, Navios Holdings had not exercised any part of that option.

Sale of Vessels and Sale of Rights to Navios Partners: Upon the sale of vessels to Navios Partners, Navios Holdings

Table of Contents

recognizes the gain immediately in earnings only to the extent of the interest in Navios Partners owned by third parties and defers recognition of the gain to the extent of its own ownership interest in Navios Partners (the deferred gain). Subsequently, the deferred gain is amortized to income over the remaining useful life of the vessel. The recognition of the deferred gain is accelerated in the event that (i) the vessel is subsequently sold or otherwise disposed of by Navios Partners or (ii) the Company s ownership interest in Navios Partners is reduced. In connection with the public offerings of common units by Navios Partners, a pro rata portion of the deferred gain is released to income upon dilution of the Company s ownership interest in Navios Partners. As of September 30, 2015 and December 31, 2014, the unamortized deferred gain for all vessels and rights sold totaled $14.1 million and $16.3 million, respectively. For both the three month periods ended September 30, 2015 and 2014, Navios Holdings recognized $0.7 million of the deferred gain in Equity in net earnings of affiliated companies and for the nine month periods ended September 30, 2015 and 2014, Navios Holdings recognized $2.2 million and $4.5 million of the deferred gain, respectively, in Equity in net earnings of affiliated companies .

Participation in Offerings of Affiliates: Refer to Note 13 in the condensed notes to the condensed consolidated financial statements included herein for more on Navios Holdings participation in Navios Acquisition s and Navios Partners offerings. On February 4, 2015, Navios Holdings entered into a share purchase agreement with Navios Partners pursuant to which Navios Holdings made an investment in Navios Partners by purchasing common units, and general partnership interests, in order to maintain its 20.1% partnership interest in Navios Partners following its equity offering in February 2015. In connection with this agreement, Navios Holdings entered into a registration rights agreement with Navios Partners pursuant to which Navios Partners provided Navios Holdings with certain rights relating to the registration of the common units.

The Navios Acquisition Credit Facilities: Navios Acquisition entered into a $40.0 million credit facility with Navios Holdings in 2010 which was amended in 2010, 2011 and 2014, and matures in December 2015. The facility is available for multiple drawings up to a limit of $40.0 million, and bears an interest of LIBOR plus 300 basis points. As of September 30, 2015 and December 31, 2014, there was no outstanding amount under this facility.

On November 11, 2014, Navios Acquisition entered into a short term credit facility with Navios Holdings pursuant to which Navios Acquisition could borrow up to $200.0 million for general corporate purposes. The facility provided for an arrangement fee of $4.0 million, bared a fixed interest of 600 bps and matured on December 29, 2014.

The Navios Partners Credit facility: In May 2015, Navios Partners entered into a credit facility with Navios Holdings of up to $60.0 million. The Navios Partners Credit Facility bears an interest of LIBOR plus 300 bps. The final maturity date is January 2, 2017. As of September 30, 2015, there was no outstanding amount under this facility, and all $60 million remains to be drawn.

Balance Due from/(to) Navios Europe I: Balance due from Navios Europe I as of September 30, 2015 amounted to $0.3 million (December 31, 2014: $4.1 million), which included the net current amount payable of $0.9 million (current amount receivable from Navios Europe I as of December 31, 2014: $3.4 million), mainly consisting of management fees, accrued interest income earned under the Navios Revolving Loans I (as defined in Note 13) and other expenses and the non-current amount receivable of $1.2 million (December 31, 2014: $0.7 million) related to the accrued interest income earned under the Navios Term Loans I (as defined in Note 13).

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

As of September 30, 2015, the outstanding amount relating to the Navios Revolving Loans I capital was $7.1 million (December 31, 2014: $7.1 million), under the caption Loan receivable from affiliate companies. As of September 30, 2015, the amount undrawn from the Revolving Loans I was $9.1 million, of which Navios Holdings is committed to fund $4.3 million.

Balance due from / (to) Navios Europe II: Balance due to Navios Europe II as of September 30, 2015, amounted to $0.4 million (December 31, 2014: $0), which included the net current amount payable of $0.8 million (December 31, 2014: $0), mainly consisting of advances for management fees and accrued interest income earned under the Navios Revolving Loans II (as defined in Note 13), and other expenses and the non-current amount receivable of $0.3 (December 31, 2014: $0) related to the accrued interest income earned under the Navios Term Loans II (as defined in Note 13).

The Navios Revolving Loans II and the Navios Term Loans II earn interest and an annual preferred return, respectively, at 1,800 basis points per annum, on a quarterly compounding basis and are repaid from free cash flow (as defined in the loan agreement) to the fullest extent possible at the end of each quarter. There are no covenant requirements or stated maturity dates.

Table of Contents

As of September 30, 2015, the outstanding amount relating to the Navios Revolving Loans II capital was $6.6 million (December 31, 2014: $0), under the caption Loan receivable from affiliate companies. As of September 30, 2015, the amount undrawn from the Revolving Loans II was $24.6 million, of which Navios Holdings is committed to fund $11.7 million.

Quantitative and Qualitative Disclosures about Market Risks

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

Interest Rate Risk

Debt Instruments On September 30, 2015 and December 31, 2014, Navios Holdings had a total of $1,613.5 million and $1,644.6 million, respectively, of long-term indebtedness. The debt is U.S. dollar-denominated and bears interest at a floating rate, except for the 2019 Notes, the 2022 Notes and the 2022 Logistics Senior Notes and one Navios Logistics loan discussed in Liquidity and Capital Resources that bear interest at a fixed rate.

The interest on the loan facilities is at a floating rate and, therefore, changes in interest rates would affect their related interest expense. As of September 30, 2015, the outstanding amount of the Company s floating rate loan facilities was $238.5 million. The interest rate on the 2019 Notes, the 2022 Notes, the 2022 Logistics Senior Notes and the Navios Logistics loan is fixed and, therefore, changes in interest rates affect their fair value, which as of September 30, 2015 was $1,350.3 million, but do not affect their related interest expense. A change in the LIBOR rate of 100 basis points would change interest expense for the nine months ended September 30, 2015 by $1.8 million.

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

Foreign Currency Risk

Foreign Currency: In general, the shipping industry is a U.S. dollar dominated industry. Revenue is set mainly in U.S. dollars, and approximately 64.4% of Navios Holdings expenses are also incurred in U.S. dollars. Certain of our expenses are paid in foreign currencies and a one percent change in the exchange rates of the various currencies at September 30, 2015 would change net income by approximately $1.1 million for the nine months ended September 30, 2015.

Critical Accounting Policies

The Navios Holdings interim condensed consolidated financial statements have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires Navios Holdings to make estimates in the application of its accounting policies based on the best assumptions, judgments and opinions of management. Critical accounting policies are those that reflect significant judgments or uncertainties, and potentially result in materially different results under different assumptions and conditions. All significant accounting policies are as described in the Company s Annual Report on Form 20-F for the year ended December 31, 2014.

Investments in Equity Securities

Navios Holdings evaluates its investments in Navios Acquisition, Navios Partners, Navios Europe I, Navios Europe II, Korean Line Corporation and Pan Ocean Co. Ltd for other than temporary impairment (OTTI) on a quarterly basis.

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

As of September 30, 2015, the Company considered the decline in fair value of the KLC shares as other-than-temporary and therefore recognized a loss of $1.8 million (December 30, 2014: $11.5 million) out of accumulated other comprehensive loss. The respective loss was included in other (expense)/income, net in the accompanying consolidated statement of comprehensive loss.

Table of Contents

Recent Accounting Pronouncements