Navios Maritime Holdings Inc.
Form F-4/A
August 09, 2011

Table of Contents

As filed with the Securities and Exchange Commission on August 9, 2011

Registration No. 333-175043

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

AMENDMENT NO. 2 TO
Form F-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

NAVIOS MARITIME HOLDINGS INC.
NAVIOS MARITIME FINANCE II (US) INC.
(Exact name of registrant as specified in its charter)

Republic of Marshall Islands **Delaware**	**4412**	**98-0384348** **33-1219789**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

SEE TABLE OF ADDITIONAL REGISTRANT GUARANTORS

Navios Maritime Holdings Inc.
85 Akti Miaouli Street\Piraeus, Greece 185 38
(011) +30-210-4595000
(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Trust Company of the Marshall Islands, Inc.
Trust Company Complex, Ajeltake Island
P.O. Box 1405
Majuro, Marshall Islands MH96960
(011) +30 210 429 3223
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:
Stuart Gelfond, Esq.
Vasiliki Tsaganos, Esq.

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004-1980
(212) 859-8000
Vasiliki (Villy) Papaefthymiou
General Counsel and Secretary
Navios Maritime Holdings Inc.
85 Akti Miaouli Street
Piraeus 185 38, Greece

Approximate date of commencement of proposed exchange offer: As soon as practicable after the effective date of this Registration Statement.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i)(Cross-Border Issuer Tender Offer) o

Exchange Act rule 14d-1(d)(Cross-Border Third-Party Tender Offer) o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered**	**Proposed Maximum Offering Price per Note(1)**	**Proposed Maximum Aggregate Offering Price**	**Amount of Registration Fee**
81/8% Senior Notes due 2019	$ 350,000,000	100 %	$ 350,000,000	$ 40,635
Guarantees of 81/8% Senior Notes due 2019	$ 350,000,000	(2)	(2)	(2)
Total Registration Fee				$ 40,635 (3)

(1) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(f) under the Securities Act.

(2) No separate filing fee is required pursuant to Rule 457(n) under the Securities Act.

(3) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

TABLE OF ADDITIONAL REGISTRANT GUARANTORS

Exact Name of Registrant as Specified in its Charter(1)	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number
Faith Marine Ltd.	Liberia	98-1006677
Vector Shipping Corporation	Marshall Islands	66-0742469
Aramis Navigation Inc.	Marshall Islands	98-0645621
Ducale Marine Inc.	Marshall Islands	98-0633431
Highbird Management Inc.	Marshall Islands	98-0633432
Floral Marine Ltd.	Marshall Islands	98-0628840
Red Rose Shipping Corp.	Marshall Islands	98-0628836
Ginger Services Co.	Marshall Islands	98-0609514
Quena Shipmanagement Inc.	Marshall Islands	98-0599808
Astra Maritime Corporation	Marshall Islands	98-0599803
Primavera Shipping Corporation	Marshall Islands	98-0599806
Pueblo Holdings Ltd.	Marshall Islands	98-0594673
Beaufiks Shipping Corporation	Marshall Islands	75-3269445
Rowboat Marine Inc.	Marshall Islands	75-3269444
Corsair Shipping Ltd.	Marshall Islands	75-3269443
Pharos Navigation S.A.	Marshall Islands	98-0563832
Sizzling Ventures Inc.	Liberia	98-0563838
Shikhar Ventures S.A.	Liberia	98-0563837
Taharqa Spirit Corp.	Marshall Islands	98-0563839
Rheia Associates Co.	Marshall Islands	98-0563834
Rumer Holding Ltd.	Marshall Islands	98-0563835
Kleimar N.V.	Belgium	98-0386679
NAV Holdings Limited	Malta	98-0386684
Navios Corporation	Marshall Islands	13-3023670
Anemos Maritime Holdings Inc.	Marshall Islands	98-0418747
Navios Shipmanagement Inc.	Marshall Islands	98-0418748
Aegean Shipping Corporation	Marshall Islands	47-0938383
Arc Shipping Corporation	Marshall Islands	98-0386672
Magellan Shipping Corporation	Marshall Islands	98-0386681
Ionian Shipping Corporation	Marshall Islands	98-0418750
Apollon Shipping Corporation	Marshall Islands	98-0418751
Herakles Shipping Corporation	Marshall Islands	98-0418752
Achilles Shipping Corporation	Marshall Islands	51-0495540
Kypros Shipping Corporation	Marshall Islands	51-0795616
Hios Shipping Corporation	Marshall Islands	51-0495614
Meridian Shipping Enterprises Inc.	Marshall Islands	98-0386683
Mercator Shipping Corporation	Marshall Islands	98-0386682
Horizon Shipping Enterprises Corporation	Marshall Islands	98-0386677
Star Maritime Enterprises Corporation	Marshall Islands	98-0386685
Navios Handybulk Inc.	Marshall Islands	98-0156162

Navios International Inc.	Marshall Islands	98-0163555
Nostos Shipmanagement Corp.	Marshall Islands	66-0715101
Portorosa Marine Corp.	Marshall Islands	66-0715102
White Narcissus Marine S.A.	Panama	75-3252951
Hestia Shipping Ltd.	Malta	98-0386676
Kleimar Ltd.	Marshall Islands	75-3268633
Navimax Corporation	Marshall Islands	06-1624242
Aquis Marine Corp.	Marshall Islands	66-0751682
Navios Tankers Management Inc.	Marshall Islands	42-1771241
Rawlin Services Company	Marshall Islands	66-0767717
Solange Shipping Ltd.	Marshall Islands	99-0367028
Tulsi Shipmanagement Co.	Marshall Islands	99-0367020
Mauve International S.A.	Marshall Islands	66-0767721
Cinthara Shipping Ltd.	Marshall Islands	33-1221366

(1) The address for each of the additional registrant guarantors is 85 Akti Miaouli Street, Piraeus, Greece 185 38.

Table of Contents

The information in this prospectus is not complete and may be changed. We may not sell these securities or consummate the exchange offer until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell or exchange these securities and it is not soliciting an offer to acquire or exchange these securities in any jurisdiction where the offer, sale or exchange is not permitted.

SUBJECT TO COMPLETION, DATED AUGUST 9, 2011

PROSPECTUS

Navios Maritime Holdings Inc.
Navios Maritime Finance II (US) Inc.

Exchange Offer for
$350,000,000
81/8% Senior Notes due 2019

We are offering to exchange up to $350,000,000 of our 81/8% senior notes due 2019, which will be registered under the Securities Act of 1933, as amended, for up to $350,000,000 of the outstanding 81/8% senior notes due 2019 which we issued on January 28, 2011. We are offering to exchange the exchange notes for the outstanding notes to satisfy our obligations contained in the registration rights agreement that we entered into when the outstanding notes were sold pursuant to Rule 144A and Regulation S under the Securities Act. We refer to the outstanding senior notes collectively as the outstanding notes, the senior notes which will be registered under the Securities Act collectively as the exchange notes and the outstanding notes and the exchange notes collectively as the notes. The terms of the exchange notes are identical to the terms of the outstanding notes, except that the transfer restrictions, registration rights and additional interest provisions relating to the outstanding notes do not apply to the exchange notes.

The exchange offer will expire at 5:00 p.m., New York City time on , 2011, unless we extend it.

Broker-dealers receiving exchange notes in exchange for outstanding notes acquired for their own account through market-making or other trading activities must acknowledge that they will deliver this prospectus in any resale of the exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of the exchange notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 210 days after the expiration date of the exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

You should consider carefully the Risk Factors beginning on page 20 of this prospectus.

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

The date of this prospectus is , 2011.

You should rely only on the information contained in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus does not constitute an offer to sell, or solicitation of an offer to buy, to any person in any jurisdiction in which such an offer to sell or solicitation would be unlawful. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus.

TABLE OF CONTENTS

Table of Contents

ABOUT THIS PROSPECTUS

As used in this prospectus, unless the context indicates otherwise:

References to the company, Navios Holdings, we, our and us, refer to Navios Maritime Holdings Inc. and subsidiaries.

References to the Co-Issuer are to Navios Maritime Finance II (US) Inc., our wholly owned subsidiary incorporated in Delaware that was formed solely for the purpose of serving as a co-issuer and guarantor of our debt securities and that does not have any material assets or operations.

References to Navios Logistics are to Navios South American Logistics Inc., our unrestricted South American subsidiary that did not guarantee the notes described in this prospectus.

References to Navios Partners are to Navios Maritime Partners L.P, a separate New York Stock Exchange-listed limited partnership formed by us in August 2007. We own a 27.1% interest in Navios Partners as of the date of this prospectus, which includes a 2% general partner interest. Navios Partners did not guarantee the notes described in this prospectus.

References to Navios Acquisition are to Navios Maritime Acquisition Corporation, a separate New York Stock Exchange-listed company formed by us in March 2008. We own 45% of the outstanding voting stock as of the date of this prospectus. Navios Acquisition did not guarantee the notes described in this prospectus.

Unless otherwise indicated, all dollar references in this prospectus are to U.S. dollars and financial information presented in this prospectus that is derived from financial statements incorporated by reference is prepared in accordance with accounting principles generally accepted in the United States.

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or the SEC.

This summary highlights the material information contained elsewhere in this prospectus or in other documents incorporated by reference in this prospectus. As an investor or prospective investor you should carefully read the risk factors and the more detailed information that is included elsewhere in this prospectus or is contained in the documents incorporated by reference into this prospectus.

INCORPORATION BY REFERENCE

The Securities and Exchange Commission, or the SEC, allows us to incorporate by reference information contained in documents we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and later information that we file with the SEC, to the extent that we identify such information as being incorporated by reference into this prospectus, will automatically update and supersede this information. Information set forth in this prospectus supersedes any previously filed information that is incorporated by reference into this prospectus. We incorporate by reference into this prospectus the following information and documents:

- our annual report on Form 20-F/A for the fiscal year ended December 31, 2010, dated June 20, 2011 (SEC File No. 001-33311) (other than the consolidated financial statements therein, which have been superseded by the consolidated financial statements in the current report on Form 6-K filed on August 9, 2011);

- our current reports on Form 6-K filed on April 12, 2011, May 24, 2011, May 24, 2011, May 25, 2011 July 22, 2011 and August 9, 2011;

- all future filings on Form 20-F and Form 6-K we make under the Securities Exchange Act of 1934, as amended, after the date of this prospectus and prior to the effectiveness of this prospectus that are identified as being incorporated into this prospectus; and

- any future filings on Form 20-F and Form 6-K we make under the Securities Exchange Act of 1934, as amended, after the effectiveness of this prospectus and prior to the termination of the exchange offer that are identified as being incorporated into this prospectus.

You may request a copy of these filings, at no cost, by writing or calling us at the following address and phone number:

VASILIKI (VILLY) PAPAEFTHYMIOU
SECRETARY
NAVIOS MARITIME HOLDINGS INC.
85 AKTI MIAOULI STREET
PIRAEUS 185 38, GREECE
TELEPHONE: +30-210-4595000

To ensure timely delivery, please make your request as soon as practicable and, in any event, no later than , which is five business days prior to the expiration of the exchange offer.

You should rely only on the information contained in this prospectus or to which we have referred you. We have not authorized any person to provide you with different information. We are offering to exchange the outstanding notes for exchange notes only in jurisdictions where offers and sales are permitted. The information in this document may only be accurate on the date of this document.

Table of Contents

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in Summary, under the caption Risk Factors, and elsewhere in this prospectus constitute forward-looking statements. These forward-looking statements are not historical facts, but rather are based on our current expectations, estimates and projections about our business, our plans, objectives of management for future operations, our industry, and our beliefs and assumptions. Our forward-looking statements include information regarding future supply, demand and pricing dynamics, descriptions of global demand for commodities, drybulk capacity and newbuildings, freight rates, our business and acquisition strategy, our ability to continue to charter-in vessels at favorablerates and obtain favorable purchase options, and our ability to operate at low costs in the future. Words including may, could, would, will, anticipates, expects, intends, plans, projects, believes, similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. We caution you not to place undue reliance on these forward-looking statements, which reflect our management s view only as of the date of this prospectus. We are not obligated to update these statements or publicly release the result of any revisions to them to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events. For purposes of the information contained in this prospectus, when we state that a risk, uncertainty or problem may, could or would have a material adverse effect on our business or words to that effect, we mean that the risk, uncertainty or problem may, could or would have a material adverse effect on the business, results of operations, financial condition, cash flow or prospects of our company.

In addition to the factors and matters described in this prospectus, including under Risk Factors, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include:

- the effects of our substantial indebtedness and the covenants and limitations contained in the agreements governing such indebtedness;
- our ability to service debt obligations and our ability to incur additional indebtedness to fund the acquisitions of additional vessels;
- the strength of world economies, particularly in the Asia Pacific region;
- the cyclical nature of the international drybulk shipping industry;
- changes in the market values of our vessels and the vessels for which we have purchase options;
- the effect of short-term decreases in shipping rates and the difference between our charter-in rates and the rates we obtain when we charter-out the vessels;
- general market conditions, including fluctuations in charterhire rates and vessel values;
- significant changes in vessel performance, including increased vessel breakdowns;
- changes in demand for drybulk commodities and in the drybulk shipping industry;

an inability to expand relationships with existing customers and obtain new customers;

changes in production or demand for the types of drybulk products that are transported by our vessels;

compliance risks associated with trade sanctions;

dependence upon significant customers;

changes in our operating expenses, including but not limited to changes in crew salaries, insurance, provisions, repairs, maintenance and overhead expenses, bunker prices and drydocking costs;

planned capital expenditures;

fluctuations in performance of outstanding operations;

- the effect of trading and hedging activities in freight, tonnage and Forward Freight Agreements;
- changes to governmental rules and regulations or actions taken by regulatory authorities;
- potential liability from pending or future litigation;
- general domestic and international political conditions, including wars, acts of piracy and terrorism;
- fluctuations in currencies and interest rates;
- potential disruption of shipping routes due to accidents, political or terrorist events;
- the ability of our contract counterparties to fulfill their obligations to us;
- uncertainty about continued access to favorable time charters as a result of longstanding relationships with Japanese shipowners;
- the ability of shipyards to deliver vessels on a timely basis;
- the ability of our vessels to pass classification inspection;
- customers increasing emphasis on environmental and safety concerns;
- the aging of our vessels and resultant increases in operation costs;
- the loss of any customer or charter or vessel;
- damage to our vessels;
- our capacity to manage our expanding business;
- insurance coverage of our shipping-specific risks;
- our participation in protection and indemnity associations subjecting us to calls or premiums based on the records of other members;
- retention of key members of our senior management team;
- certain risks through our direct and indirect investments in Navios Maritime Partners L.P., including risks related to our ability to receive cash distributions and being deemed an investment company under the Investment Company Act of 1940; and
- our possible liability for United States income tax.

You should read this prospectus completely and with the understanding that actual future results may be materially different from expectations. All forward-looking statements made in this prospectus are qualified by these cautionary statements. These forward-looking statements are made only as of the date of this prospectus, and we do not undertake any obligation, other than as may be required by law, to update or revise any forward-looking statements to reflect changes in assumptions, the occurrence of unanticipated events, changes in future operating results over time or otherwise.

ENFORCEABILITY OF CIVIL LIABILITIES AND INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Navios Maritime Holdings Inc. is incorporated under the laws of the Republic of the Marshall Islands, and our subsidiaries are incorporated under the laws of Delaware, the Republic of the Marshall Islands, Malta, Belgium, Luxembourg, Liberia, Panama, Uruguay, Argentina, Brazil and certain other countries other than the United States, and we conduct operations in countries around the world. Several of our directors, officers and the experts named in this prospectus reside outside the United States. In addition, a substantial portion of our assets and the assets of the directors, officers and experts are located outside the United States. As a result, it may not be possible for you to serve legal process within the United States upon us or any of these persons. It may also not be possible for you to enforce, both in and outside the United States, judgments you may obtain in United States courts against us or these persons in any action, including actions based upon the civil liability provisions of U.S. federal or state securities laws. Furthermore, there is substantial doubt that the courts of such jurisdictions would enter judgments in original actions brought in those courts predicated on U.S. federal or state securities laws. See Risk Factors We are incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law and We, and certain of our officers and directors, may be difficult to serve with process as we are incorporated in the Republic of the Marshall Islands and such persons may reside outside of the United States.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

We have obtained directors and officers liability insurance against any liability asserted against such person incurred in the capacity of director or officer or arising out of such status, whether or not we would have the power to indemnify such person.

Table of Contents

PROSPECTUS SUMMARY

The following is only a summary. We urge you to read the entire prospectus, including the more detailed financial statements, notes to the financial statements and other information incorporated by reference from our other filings with the SEC. An investment in our securities involves risks. Therefore, carefully consider the information provided under the heading Risk Factors beginning on page 20.

Business Overview

We are a large global, vertically integrated seaborne shipping and logistics company focused on the transport and transshipment of drybulk commodities, including iron ore, coal and grain. We manage the technical and commercial operations of our owned fleet, Navios Acquisition and Navios Partners fleet, and commercially manage our chartered-in fleet. We charter our vessels to a diversified group of high-quality companies or their affiliate entities, such as Cargill International SA, COSCO Bulk Carriers Ltd., Mitsui O.S.K. Lines Ltd., Oldendorff Carriers GmbH & Co. and STX Pan Ocean Co. The Navios business was established by the United States Steel Corporation in 1954, and we believe that we have built strong brand equity through 57 years of experience working with raw materials producers, agricultural traders and exporters, and industrial end-users. We control, through a combination of vessel ownership and long-term time chartered-in vessels, approximately 5.9 million dwt in drybulk tonnage, making us one of the largest independent drybulk operators in the world.

Our current core fleet refers to drybulk vessel operations (excluding Navios Partners, Navios Acquisition and Navios Logistics) including the newbuildings to be delivered and the employment profile of the vessels. The current core fleet consists of 56 vessels totaling 5.9 million dwt. The employment profile of the fleet as of August 1, 2011 is reflected in the tables under Our Fleet below. The 43 vessels in current operation aggregate approximately 4.6 million dwt and have an average age of 5.0 years. Of the 43 vessels currently in operation, we own a total of 29 vessels, comprised of 14 modern Ultra Handymax (50,000-59,000 dwt), three Panamax (70,000-78,000 dwt), 11 Capesize (over 100,000 dwt) vessels and one Kamsarmax vessel (80,000-83000 dwt). We also time charter-in and commercially manage a total of 27 vessels, comprised of five Ultra-Handymax, two Handysize, eight Panamax, nine Capesize vessels and three Kamsarmax vessels under long-term time charters, 15 of which are currently in operation, with the remaining 12 scheduled for delivery on various dates through December 2013. We have options to acquire 15 of the 27 time chartered-in vessels. We have, at various times over the last four years, deployed over 50 vessels at any one time, including those in our core fleet.

The vessels in our core fleet are significantly younger than the world drybulk fleet and have an average age of approximately 5.0 years compared to an industry average of 13 years, according to Drewry Shipping Consultants Ltd., or Drewry. We believe our large, modern fleet, coupled with our long operating history, allows us to charter-out our vessels for longer periods of time and to high quality counterparties. Our active vessels (excluding Kleimar, N.V. (Kleimar) vessels allocated to CoA contracts) are currently chartered-out with an average remaining charter period of 2.9 years. Navios Holdings has currently fixed 95.2%, 56.2% and 37.9% of its 2011, 2012 and 2013 available days, respectively, of its fleet (excluding vessels, which are utilized to fulfill voyage charter or CoAs), representing contracted fees (net of commissions), based on contracted charter rates from its current charter agreement of $269.2 million, $188.3 million and $168.1 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 voyage charter or CoAs) is $22,737, $25,076 and $32,276 for 2011, 2012 and 2013, respectively. The average daily charter-in rate for the active long-term charter-in vessels (excluding vessels which are utilized to fulfill voyage charter or CoAs) for 2011 is $10,479.

We have grown our owned fleet from six vessels as of August 25, 2005 to 29 vessels as of August 1, 2011, an increase of almost 383.3%. As of August 1, 2011, we had purchase options on 15 of our 27 chartered-in vessels. We regularly evaluate the acquisition of additional vessels and shipping businesses and are currently in discussions regarding several of such acquisitions, any of which could be material.

We are able to operate our owned fleet at costs below the industry average for vessels of a similar type through our in-house technical management and the efficiencies derived from our modern fleet. Further, through the strategic commercial management of our fleet, we fix the employment for our vessels in the following ways: long-term charters, short-term charters, spot charters, and the use of CoAs. This integrated management approach maximizes the utilization of our vessels and provides for contracted revenues and operating visibility. Through our contracted revenues and operating expenses that we believe are approximately 31% below the industry average for vessels of similar type, we anticipate we are able to improve the stability and predictability of our cash flows. For the year ended December 31, 2010, and for the three months ended March 31, 2011, our consolidated revenue was $679.9 million and $181.8 million, respectively. Our guarantor subsidiaries accounted for approximately $458.4 million and $112.3 million of our total revenue, for the year ended December 31, 2010 and the three months ended March 31, 2011, respectively.

Our Fleet

Fleet Growth

Since August 2005, we have grown our owned fleet from six vessels to 29 vessels as of August 1, 2011, an increase of almost 383.3%.

The following tables present certain information related to our fleet as of June 17, 2011 (excluding the fleet of Navios Partners, Navios Acquisition and Navios Logistics).

Owned Vessels

Vessels	Type	Built	DWT	Charter-out Rate(1)	Profit Share(*)	Expiration Date(2)
Navios Ionian	Ultra Handymax	2000	52,067	13,726	No	09/18/2012
Navios Celestial	Ultra Handymax	2009	58,063	17,550	No	01/24/2012
Navios Vector	Ultra Handymax	2002	50,296	14,725	No	12/27/2011
Navios Horizon	Ultra Handymax	2001	50,346	10,925	No	12/19/2011
Navios Herakles	Ultra Handymax	2001	52,061	11,875	No	09/12/2011
Navios Achilles	Ultra Handymax	2001	52,063	25,521(7)	65%/$20,000 after March 2012	12/17/2013
Navios Meridian	Ultra Handymax	2002	50,316	14,250	No	03/17/2012
Navios Mercator	Ultra Handymax	2002	53,553	29,783(7)	65%/$20,000 after March 2012	01/12/2015
Navios Arc	Ultra Handymax	2003	53,514	14,725	No	10/13/2011
Navios Hios	Ultra Handymax	2003	55,180	13,300	No	09/21/2011
Navios Kypros	Ultra Handymax	2003	55,222	20,778	50%/$19,000	01/28/2014
Navios Ulysses	Ultra Handymax	2007	55,728	31,281	No	10/12/2013
Navios Vega	Ultra Handymax	2009	58,792	15,751	No	05/23/2013
Navios Astra	Ultra Handymax	2006	53,468	15,533	No	12/11/2011
Navios Magellan	Panamax	2000	74,333	22,800	No	03/26/2012
Navios Star	Panamax	2002	76,662	16,958	No	11/27/2012
Navios Asteriks	Panamax	2005	76,801			
Navios Bonavis	Capesize	2009	180,022	47,400	No	06/29/2014
Navios Happiness	Capesize	2009	180,022	52,345(7)	50%/$32,000 after March	07/24/2014

					2012	
Navios Lumen	Capesize	2009	180,661	19,500(6)	Yes	08/14/2011
				29,250(6)	Yes	02/14/2012
				39,830(6)	Yes	12/10/2012
				43,193(6)	Yes	12/10/2013
				42,690(6)	Yes	12/10/2016
				39,305(6)	Yes	12/10/2017
Navios Stellar	Capesize	2009	169,001	36,974(9)	No	12/22/2016
Navios Phoenix	Capesize	2009	180,242	27,075	No	12/10/2011(8)
Navios Antares	Capesize	2010	169,059	37,590(9)	No	01/19/2015

Table of Contents

Vessels	Type	Built	DWT	Charter-out Rate(1)	Profit Share(*)	Expiration Date(2)
				45,875(9)	No	01/19/2018
Navios Buena Ventura	Capesize	2010	179,132	29,356	50%/$38,500	10/28/2020
Navios Etoile	Capesize	2010	179,234	29,356	50% in excess of $38,500	12/02/2020
Navios Bonheur	Capesize	2010	179,259	27,888(7)	50%/$32,000 after March 2012	12/16/2013
				25,025(7)		12/16/2022
Navios Altamira	Capesize	01/2011	179,165	24,674	No	01/27/2021
Navios Azimuth	Capesize	02/2011	179,169	26,469(7)	50%/$34,500 after March 2012	02/13/2023

Owned Vessels to be Delivered

Vessel	Type	Delivery Date	DWT
Navios TBN	Kamsarmax	05/2012	81,600

Long-term Chartered-in Vessels

Vessels	Type	Built	DWT	Purchase Option(3)	Charter-out Rate(1)	Expiration Date(2)
Navios Primavera	Ultra Handymax	2007	53,464	Yes	14,919	10/06/2011
Navios Armonia	Ultra Handymax	2008	55,100	No	13,300	10/22/2011
Navios Serenity	Handysize	2011	34,718	Yes(4)	8,422	09/11/2011
					10,756	07/28/2012
Navios Orion	Panamax	2005	76,602	No	49,400	12/14/2012
Navios Titan	Panamax	2005	82,936	No	19,000	11/09/2012
Navios Altair	Panamax	2006	83,001	No	19,238	11/23/2011
Navios Esperanza	Panamax	2007	75,200	No	14,513	02/19/2013
Torm Antwerp	Panamax	2008	75,250	No		
Golden Heiwa	Panamax	2007	76,662	No		
Beaufiks	Capesize	2004	180,181	Yes		
Rubena N	Capesize	2006	203,233	No		
SC Lotta	Capesize	2009	170,500	No		
Formosabulk Brave	Capesize	2001	170,000	No		
Phoenix Beauty	Capesize	2010	169,150	No		
King Ore	Capesize	2010	176,800	No		

Chartered-in Vessels to be Delivered

Vessels	Type	Delivery Date	Purchase Option	DWT
Navios TBN	Handysize	09/2012	Yes(4)	34,718
Navios Koyo	Capesize	12/2011	Yes	181,000
Kleimar TBN	Capesize	07/2012	Yes	180,000
Navios TBN	Capesize	12/2013	Yes	180,000
Navios TBN	Ultra Handymax	02/2012	Yes	61,000
Navios TBN	Ultra Handymax	05/2013	Yes	61,000
Navios TBN	Ultra Handymax	10/2013	Yes	61,000

Table of Contents

Vessels	Type	Delivery Date	Purchase Option	DWT
Navios Marco Polo	Panamax	12/2011	Yes	80,000
Navios TBN	Panamax	01/2013	Yes	82,100
Navios TBN	Kamsarmax	07/2013	Yes(4)	80,500
Navios TBN	Kamsarmax	09/2013	Yes(4)	80,500
Navios TBN	Kamsarmax	11/2013	Yes(4)	80,500

Options to Acquire Vessels

Vessels	Type	Delivery Date	DWT
Navios TBN	Kamsarmax	10/2013	82,000
Navios TBN	Kamsarmax	10/2013	82,000
Navios TBN	Kamsarmax	01/2014	82,000
Navios TBN	Kamsarmax	01/2014	82,000

(1) Daily rate net of commissions.

(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 each vessel.

(5) Profit share based on applicable Baltic TC Average exceeding $/day rates listed.

(6) Year eight optional (option to Navios Holdings) included in the table above. Profit sharing = 100% to Navios Holdings until net daily rate of $44,850 and becomes 50/50 thereafter.

(7) Amount represents daily net rate of insurance proceeds following the default of the original charterer. The contracts for these vessels have been temporarily suspended and the vessels have been re-chartered to third parties for variable charter periods. Upon completion of the suspension period, the contracts with the original charterers will resume at amended terms. The obligations of our insurers are reduced by an amount equal to the mitigation charter hire revenues earned under the contracts with third parties and/or the original charterer or the applicable deductibles for any idle periods. The Company has filed claims for all unpaid amounts by the original charterer in respect of the employment of the vessels in the corporate rehabilitation proceedings. The disposition of these claims will be determined by the court at a future date.

(8) Subject to COA of $45,500 per day for the remaining period until first quarter of 2015.

(9) Amount represents daily rate of insurance proceeds following the default of the original charterer. These vessels have been rechartered to third parties for variable charter periods. Obligations of the insurer are reduced by an amount equal to the mitigation charter hire revenues earned under these contracts and the applicable deductibles

under the insurance policy.

Competitive Advantages

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

Large, Diverse Fleet of Modern Vessels. Our fleet consists of 43 active vessels, plus 13 vessels that are contracted for future delivery, bringing our total controlled fleet to 56 vessels aggregating approximately 5.9 million dwt and making us one of the largest independent drybulk operators in the world. Our core fleet is comprised of modern Handysize, Ultra-Handymax, Panamax and Capesize vessels with an average age of 5.0 years compared to an industry average age of 13 years, according to Drewry. We believe our modern and diverse fleet provides us with certain operational advantages, including more efficient cargo operations, lower insurance and vessel maintenance costs, higher levels of fleet productivity and an efficient operating cost structure. The diversity of our fleet profile enables us to serve our customers in both major and minor bulk trades and ensures the company is not overly exposed to any one drybulk asset class for its revenues. Our modern fleet provides us a competitive advantage in the time charter market, where vessel age and quality are of significant importance in competing for business.

High-Quality Counterparties. We charter our vessels to a diversified group of high-quality companies or their affiliate entities such as Cargill International SA, COSCO Bulk Carriers Ltd., Mitsui O.S.K. Lines Ltd., Oldendorff Carriers GmbH & Co. and STX Pan Ocean Co. We continue to build and develop strong relationships with our counterparties and have maintained consistent relationships with our top counterparties.

Operating Visibility Through Contracted Revenues. Our vessels are chartered out with an average remaining charter period of 2.9 years as of August 1, 2011, and we believe our existing charter coverage provides us with predictable, contracted revenues and operating visibility. As of August 1, 2011, we have charters covering 95.2% of available days in 2011, 56.2% of available days in 2012 and 37.9% of available days in 2013 (excluding vessels which are allocated to CoAs) representing contracted fees (net of commissions), based on contracted charter rates from our current charter agreements of $269.2 million, $188.3 million and $168.1 million, respectively. Payment of these contracted fees has been insured through a AA+ rated governmental agency of a European Union member state, which provides that if the charterer goes into payment default, the insurer will reimburse us for the charter payments under the terms of the policy (subject to applicable deductibles and other customary limitations for such insurance) for the remaining term of the charter-out contract. Depending on market conditions, we will continue to enter into long-term time charters as vessels become available for employment.

Proven Access to Low-Cost, Long-Term Charter-In Vessels and Purchase Options. Given our long history and brand recognition, we have developed relationships with many of the largest trading houses in Japan, such as Marubeni Corporation and Mitsui & Co. Through these relationships, we have obtained low-cost, long-term charter-in contracts. Many of these contracts have historically contained options to extend time charters as well as options to purchase the vessel. The purchase options require no initial outlay of capital to build the vessel and shift the construction risk to the charter counterparty. Since these options can be exercised over a number of years, they provide us the flexibility of purchasing a vessel if market conditions are attractive. In addition, chartering-in vessels is a low-cost alternative for expanding our fleet and, historically, we have been able to charter-in vessels at attractive rates relative to our charter-out rates. As of August 1, 2011, the average contractual daily charter-out rates for the core fleet (excluding vessels which are allocated to CoAs) are $22,737, $25,076 and $32,276 for 2011, 2012 and 2013, respectively. The average daily charter-in rate for the active long term charter-in vessels (excluding vessels which are allocated to CoAs) for 2011 is $10,479.

Strong Vessel Sourcing Relationships and Innovative Capital Markets Financing Strategies. We have taken advantage of the disruptions in the capital markets during 2009 and 2010 to acquire and finance vessels using our own equity at favorable prices. We believe that our ability to use our mandatorily convertible preferred stock continues to be a competitive advantage as we have been able to issue convertible preferred stock with a conversion price significantly above the then current market price of our common stock while engaging in transactions that are accretive to our existing shareholders. Furthermore, our strong relationships within the shipping industry, including with shipyards and maritime lenders, provide us with opportunities to acquire vessels at significant discounts from companies facing economic difficulties or undergoing financial restructuring.

Low-Cost, Efficient Operation with In-House Technical Management. Our operating efficiencies allow us to maintain operating expenses that we believe are, as of March 31, 2011, approximately 31% below the industry average for vessels of a similar type. We employ our own in-house technical management team which oversees every step of technical management, from the construction of the vessels in Japan and South Korea to subsequent shipping operations throughout the life of a vessel, including the superintendence of maintenance, repairs, drydocking and crewing, thereby providing efficiency and transparency in our owned fleet operation. This allows us to proactively monitor our vessels performance and conduct in-transit repairs to lower our operational costs.

Experienced Management Team and Strong Brand. Our management team is well respected in the drybulk sector and the shipping industry, and has a strong track record of operational experience. The key members of our management team have on average over 20 years of experience in the shipping industry. Since August 25, 2005, our management team has grown our owned fleet by almost 383.3% to 29 vessels as of August 1, 2011. In addition, the Navios brand has 57 years of history in the drybulk sector and has a well established reputation for reliability and performance. We believe that our well respected management team and strong brand present us with market opportunities not afforded to other drybulk carriers.

Business Strategy

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

Maximize Fleet Utilization and Profitability. The shipping industry uses fleet utilization to measure a company s efficiency in finding suitable employment for its vessels and minimizing the days its vessels are off-hire. For the year ended December 31, 2010 and the three months ended March 31, 2011, we had an average utilization of 99.5% and 98.7%, respectively, which we believe is one of the highest fleet utilization rates in the industry.

Specifically, our strategy of maximizing vessel utilization is implemented as follows:

- The operation of time charters, whereby the vessel is hired out for a predetermined period but without any specification as to voyages to be performed, with the ship owner being responsible for operating costs and the charterer for voyage costs;
- The operation of voyage charters or spot fixtures for the carriage of a single cargo from load port to discharge port; and
- The use of CoAs, under which Navios Holdings contracts to carry a given quantity of cargo between certain load and discharge ports within a stipulated time frame, but does not specify in advance which vessels, will be used to perform the voyages.

We believe we are one of relatively few major owners and operators of vessels that implement these various strategies.

Enhance Operating Visibility With Conservative, Long-term Charter Out Strategy. Our long term charter strategy offers operating visibility, builds upon the stability of our cash flows and minimizes our exposure to the more volatile short term market for drybulk shipping. As of August 1, 2011, we have significant charter coverage with our fleet chartered out for 95.2% of available days in 2011, 56.2% of available days in 2012 and 37.9% of available days in 2013 (excluding vessels which are allocated to CoAs).

Continue to Operate Our Owned Vessels Efficiently. Through our in-house technical management, we will continue to focus on implementing best practices to derive efficiencies from the operation of our owned fleet and focus on reducing our operating costs per owned vessel. By focusing on preventative maintenance and proactively monitoring our vessels performance, we are able to limit the days of off-hire for our vessels. For the three months ended March 31, 2011, we had a total of 35 days of off-hire for our owned fleet.

Pursue an Appropriate Balance Between Vessel Ownership and a Long-Term Chartered-In Fleet. We control, through a combination of vessel ownership and long-term time chartered-in vessels, approximately 5.9 million dwt in drybulk tonnage, making us one of the largest independent drybulk operators in the world. We will selectively seek to expand the size of our fleet to increase our cash flow and profitability. We will continue to charter-in additional tonnage, depending on market conditions, exercise the purchase options on certain chartered-in vessels and, purchase secondhand vessels or shipping companies to increase the number of vessels we own and control. Our ability to charter-in vessels at favorable rates affords us a low-cost alternative to add additional shipping capacity without the capital expenditures required by new vessel acquisitions. In addition, through our purchase options on certain of our chartered-in vessels, we are able to determine when is the most commercially opportune time to own or charter-in vessels and, if we so choose, we are able to purchase vessels at lower purchase prices than the current market values. We intend to monitor development in the sales and purchase market to maintain the appropriate balance between owned and long-term time chartered-in vessels.

Capitalize on Our Established Reputation. We have an established reputation for maintaining high standards of performance, reliability, and safety. We believe our reputation and commercial relationships enable us to obtain favorable long-term time charters, enter into the freight market, increase our short-term tonnage capacity to several times the capacity of our fleet and obtain access to cargo freight opportunities through CoA arrangements not readily available to other industry participants. We will continue to leverage our reputation to obtain favorable charter-in and vessel acquisition terms, as reflected in the purchase options contained in many of our long-term charter-in contracts.

Strategically Pursue Acquisition Opportunities. We emphasize continued growth in our fleet, through purchases of additional vessels, chartered-in vessels and through business acquisitions. We continue to expand our fleet through the exercise of purchase options.

Capitalize on Market Intelligence. Our experience in the industry and active involvement in the spot based, short-term and long-term charter markets and the market for forward freight agreements, or FFAs, provide us real-time access to market intelligence. Given the cyclical and volatile nature of the drybulk shipping market, we have raised the commercial sophistication of our business model in recent years by using market intelligence to make more informed decisions in managing our fleet. In addition, we believe that our South American logistics business provides us a unique level of market intelligence through the operations of our dry and liquid port terminals in the Hidrovia region and our direct interaction with many of the region s leading international grain and commodity houses.

Businesses We Own Interests In

We own substantial equity interests in Navios Logistics, Navios Acquisition and Navios Partners. Navios Logistics owns and operates vessels, barges and push boats located mainly in Argentina, the largest bulk transfer and storage port facility in Uruguay, and an upriver liquid port facility located in Paraguay. Navios Acquisition is a publicly traded corporation that owns and operates crude, product and chemical tanker vessels. Navios Partners is a publicly traded master limited partnership that owns and operates Capesize, Panamax and Ultra-Handymax drybulk vessels under medium and long-term charters.

Navios South American Logistics Inc.

On January 1, 2008, we formed a South American logistics business through the combination of our existing port operations in Uruguay with the Horamar Group, a barge and upriver port business that specializes in the transportation and storage of liquid cargoes and the transportation of dry bulk cargoes in South America. Navios Logistics owns and operates vessels, barges and push boats located mainly in Argentina, the largest bulk transfer and storage port facility in Uruguay, and an upriver liquid port facility located in Paraguay. We intend to continue growing our South American logistics business by opportunistically acquiring assets complementary to its port terminal and storage facilities. Currently, we own approximately 63.8% of the outstanding common stock of Navios Logistics. We have been evaluating a number of strategic alternatives for Navios Logistics, including Navios Logistics becoming an independent business; while there can be no certainty as to timing, Navios Holdings could decide to pursue these strategic alternatives as early as 2011.

Navios Logistics is also subject to risks unique to its business. It is exposed to the risks of doing business in many different, and often less developed emerging market countries. Navios Logistics operations are performed in countries that are historically less developed and stable than the United States. Some of the risks Navios Logistics is exposed to by operating in these countries include political and economic instability, changing economic policies and conditions, war and civil disturbances and the imposition of or unexpected adverse changes in foreign laws and regulatory requirements.

Navios Logistics is an unrestricted subsidiary under the indentures governing our existing notes and will be an unrestricted subsidiary under the exchange notes and therefore will not be a guarantor of the notes.

Navios Logistics accounted for approximately $44.4 million, or 24.4%, of our total revenue and approximately $2.1 million income of our net loss, in each case for the three months ended March 31, 2011, as compared to approximately $36.2 million, or 23.4%, of our total revenue and approximately $1.2 million loss of our net income, in each case for the three months ended March 31, 2010.

Navios Logistics accounted for approximately $188.0 million, or 27.7%, of our total revenue and approximately $5.6 million or 3.8%, of our net income, in each case for the year ended December 31, 2010, as compared to approximately $138.9 million, or 23.2%, of our total revenue and approximately $5.4 million, or 8.0%, of our net income, in each case for the year ended December 31, 2009.

For further information, see Risk Factors The notes will be effectively subordinated to the obligations of our current non-guarantor subsidiaries, which include our unrestricted subsidiaries, and any future non-guarantor subsidiaries.

Navios Maritime Acquisition Corporation

On July 1, 2008, Navios Holdings completed the initial public offering (IPO) of units in Navios Acquisition (NYSE: NNA), a blank check company. In this offering, Navios Acquisition sold 25,300,000 units for an aggregate purchase price of $253.0 million. Simultaneously with the completion of the IPO, Navios Holdings purchased private placement warrants of Navios Acquisition for an aggregate purchase price of $7.6 million. Prior to the IPO, Navios Holdings had purchased 8,625,000 sponsor units for a total consideration of $25,000, of which an aggregate of 290,000 units were transferred to Navios Holdings officers and directors and an aggregate of 2,300,000 sponsor units were returned to Navios Acquisition and cancelled upon receipt. Each unit consists of one share of Navios Acquisition s common stock and one warrant.

On May 25, 2010, after its special meeting of stockholders, Navios Acquisition announced the approval of (a) the acquisition of 13 vessels (11 product tankers and two chemical tankers, and options to purchase two additional product tankers) for an aggregate purchase price of $457.7 million pursuant to the terms and conditions of an acquisition agreement (the Acquisition Agreement) by and between Navios Acquisition and Navios Holdings and (b) certain amendments to Navios Acquisition s amended and restated articles of incorporation.

Following the consummation of the transactions described in the Acquisition Agreement, Navios Holdings was released from all debt and equity commitments for the above vessels and Navios Acquisition reimbursed Navios Holdings for equity payments made prior to the stockholders meeting under the purchase contracts for the vessels, plus all associated payments previously made by Navios Holdings amounting to $76.5 million.

Navios Holdings has purchased 6,337,551 shares of Navios Acquisition s common stock for $63.2 million in open market purchases. Moreover, on May 28, 2010, certain shareholders of Navios Acquisition redeemed 10,021,399 shares pursuant to redemption rights granted in the IPO upon de- SPAC -ing. As of May 28, 2010, following these transactions, Navios Holdings owned 12,372,551 shares, or 57.3%, of the outstanding common stock of Navios Acquisition. On that date, Navios Holdings acquired control over Navios Acquisition, and consequently concluded a business combination had occurred and consolidated the results of Navios Acquisition from that date until March 30, 2011.

On March 30, 2011, Navios Holdings completed the Navios Acquisition Share Exchange whereby Navios Holdings exchanged 7,676,000 shares of Navios Acquisition s common stock it held for 1,000 shares of non-voting Series C preferred stock of Navios Acquisition pursuant to an Exchange Agreement entered into on March 30, 2011 between Navios Acquisition and Navios Holdings. The fair value of the exchange was $30.5 million, which was based on the share price of the publicly traded common shares of Navios Acquisition on March 30, 2011. Following the Navios Acquisition Share Exchange, Navios Holdings ownership of the outstanding voting stock of Navios Acquisition decreased to 45% and Navios Holdings no longer controls a majority of the voting power of Navios Acquisition. From that date onwards, Navios Acquisition is considered as an affiliate entity of Navios Holdings and is not a controlled subsidiary of the Company, and the investment in Navios Acquisition is now accounted for under the equity method due to the Company s significant influence over Navios Acquisition. Navios Acquisition will be accounted for under the equity method of accounting based on Navios Holdings 53.7% economic interest in Navios Acquisition, since the preferred stock is considered in-substance common stock for accounting purposes.

On March 30, 2011, based on the equity method, the Company recorded an investment in Navios Acquisition of $103.3 million, which represents the fair value of the common stock and Series C preferred stock that was held by Navios Holdings on such date. On March 30, 2011, the Company calculated a loss on change in control of $35.3 million, which is equal to the fair value of the Company s investment in Navios Acquisition of $103.3 million less the Company s 53.7% interest in Navios Acquisition s net assets on March 30, 2011.

Navios Acquisition is an owner and operator of tanker vessels focusing in the transportation of petroleum products (clean and dirty) and bulk liquid chemicals.

Navios Maritime Partners L.P.

On August 7, 2007, we formed Navios Maritime Partners L.P. (NYSE: NMM) under the laws of the Republic of the Marshall Islands. Navios GP L.L.C. (the General Partner), our wholly owned subsidiary and an unrestricted subsidiary and not a guarantor under the indenture related to the notes, was also formed on that date to act as the general partner of Navios Partners and to receive a 2% general partner interest, which gives us a 2% indirect interest in Navios Partners and all of Navios Partners incentive distribution rights through our ownership of the General Partner. Navios Partners is an international owner and operator of six Capesize, one Ultra-Handymax and 11 Panamax vessels engaged in the seaborne transportation services of a wide range of drybulk commodities including iron ore, coal, grain and fertilizer which are chartered under long-term time charters. We currently own a 27.1% direct interest in Navios Partners, including a 2% general partner interest, in the form of common units (9.9%), subordinated units (13.5%) and subordinated series A units (1.8%). The operations of Navios Partners are managed by Navios ShipManagement Inc. (the Manager), our wholly-owned subsidiary, from its offices in Piraeus, Greece. In connection with Navios Partners IPO, we entered into (a) a management agreement with Navios Partners pursuant to which the Manager provides Navios Partners commercial and technical management services; (b) an administrative services agreement with the Manager pursuant to which the Manager provides Navios Partners administrative services and is in turn reimbursed for reasonable costs and expenses; and (c) an omnibus agreement with Navios Partners, governing, among other things, when we and Navios Partners may compete against each other as well as rights of first offer on certain drybulk carriers. Pursuant to the omnibus agreement that we entered into with Navios Partners in connection with the closing of its IPO, we 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. We also agreed to offer to Navios Partners the opportunity to purchase vessels from us when such vessels are fixed under charters of three or more years. However, the omnibus agreement was amended in June 2009 to release us for two years from restrictions on acquiring vessels from third parties. In addition to those vessels which we are required to offer to Navios Partners under the omnibus agreement, as amended, we may voluntarily offer certain vessels to Navios Partners. Navios Partners paid a quarterly cash distribution of $0.415, $0.42, $0.42, $0.43 and $0.43 for the three month periods ended March 31, 2010, June 30, 2010, September 30, 2010, December 31, 2010 and March 31, 2011, respectively. Since its formation through March 31, 2011, we have received $56.6 million in distributions from Navios Partners.

Corporate Ownership and Structure

The Navios business was established by United States Steel Corporation in 1954 for the transportation of its iron ore requirements. On August 25, 2005, International Shipping Enterprises, Inc., or ISE, acquired all of the outstanding shares of Navios Holdings common stock and merged with and into Navios Holdings, with Navios Holdings surviving. Navios Holdings maintains offices in Piraeus, Greece, Antwerp, Belgium, Norwalk, Connecticut, Montevideo, Uruguay, Buenos Aires, Argentina, Asuncion, Paraguay and Corumba, Brazil. On January 1, 2008, Navios Holdings formed a South American logistics business, Navios Logistic, through the combination of our Nueva Palmira port operations with a barge and upriver port businesses that specializes in the transportation and storage of liquid cargoes and the transportation of drybulk cargoes in South America.

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

We maintain our principal executive offices at 85 Akti Miaouli Street, Piraeus 185 38, Greece. Our telephone number at that address is +30-210-4595000. Our website address is *www.navios.com.* The information on our website is not a part of this prospectus.

Table of Contents

Corporate Structure

The chart below summarizes our ownership and corporate structure as of August 1, 2011.

Summary of the Exchange Offer

On January 28, 2011, we sold $350,000,000 aggregate principal amount of 81/8% senior notes due 2019, or the outstanding notes, in a transaction exempt from registration under the Securities Act of 1933, as amended (the Securities Act). We are conducting this exchange offer to satisfy our obligations contained in the registration rights agreement that we entered into in connection with that sale. You should read the discussion under the headings The Exchange Offer and Description of Notes for further information regarding the exchange notes to be issued in the exchange offer.

Securities Offered	Up to $350,000,000 aggregate principal amount of 8 1/8% senior notes due 2019 registered under the Securities Act (the exchange notes). The terms of the exchange notes offered in the exchange offer are identical to those of the outstanding notes, except that the transfer restrictions, registration rights and additional interest provisions relating to the outstanding notes do not apply to the exchange notes.
The Exchange Offer	We are offering exchange notes in exchange for a like principal amount of our outstanding notes. The exchange notes are being offered only in exchange for the 81/8% senior notes due 2019 that we issued on January 28, 2011, and not for any other notes. You may tender your outstanding notes for exchange notes by following the procedures described under the heading The Exchange Offer.
Tenders; Expiration Date; Withdrawal	The exchange offer will expire at 5:00 p.m., New York City time, on , 2011, unless we extend it. You may withdraw any outstanding notes that you tender for exchange at any time prior to the expiration of this exchange offer. See The Exchange Offer Terms of the Exchange Offer for a more complete description of the tender and withdrawal period.
Conditions to the Exchange Offer	The exchange offer is not subject to any conditions, other than that: the exchange offer does not violate any applicable law or applicable interpretations of the staff of the SEC; the outstanding notes are validly tendered in accordance with the exchange offer; and there is no action or proceeding instituted or threatened in any court or by any governmental agency that in our judgment would reasonably be expected to impair our ability to proceed with the exchange offer. The exchange offer is not conditioned upon any minimum aggregate principal amount of outstanding notes being tendered in the exchange.
Procedures for Tendering Outstanding Notes	To participate in this exchange offer, you must properly complete and duly execute a letter of transmittal, which accompanies this prospectus, and transmit it, along with all other documents required by such letter of transmittal, to the exchange agent on or before the expiration date at the

address provided on the cover page of the letter of transmittal.

In the alternative, you can tender your outstanding notes by book-entry delivery following the procedures described in this prospectus,

Table of Contents

	whereby you will agree to be bound by the letter of transmittal and we may enforce the letter of transmittal against you. If a holder of outstanding notes desires to tender such notes and the holder s outstanding notes are not immediately available, or time will not permit the holder s outstanding notes or other required documents to reach the exchange agent before the expiration date, or the procedure for book-entry transfer cannot be completed on a timely basis, a tender may be effected pursuant to the guaranteed delivery procedures described in this prospectus. See The Exchange Offer Procedures for Tendering.
U.S. Federal Tax Considerations	Your exchange of outstanding notes for exchange notes to be issued in the exchange offer will not result in any gain or loss to you for United States federal income tax purposes. See Certain U.S. Federal Tax Considerations for a summary of United States federal income tax consequences of the purchase, ownership and disposition of the exchange notes and the exchange of the outstanding notes for the exchange notes.
Use of Proceeds	We will not receive any cash proceeds from the exchange offer.
Exchange Agent	Wells Fargo Bank, National Association under the indenture governing the notes, is serving as exchange agent in connection with the exchange offer. The address and telephone number of the exchange agent are set forth under the heading The Exchange Offer Exchange Agent.
Consequences of Failure to Exchange Your Outstanding Notes	Outstanding notes not exchanged in the exchange offer will continue to be subject to the restrictions on transfer that are described in the legend on the outstanding notes. In general, you may offer or sell your outstanding notes only if they are registered under, or offered or sold under an exemption from, the Securities Act and applicable state securities laws. We do not currently intend to register the outstanding notes under the Securities Act. If your outstanding notes are not tendered and accepted in the exchange offer, it may become more difficult for you to sell or transfer your outstanding notes.
Resales of the Exchange Notes	Based on interpretations of the staff of the SEC, we believe that you may offer for sale, resell or otherwise transfer the exchange notes that we issue in the exchange offer without complying with the registration and prospectus delivery requirements of the Securities Act if: you acquire the exchange notes issued in the exchange offer in the ordinary course of your business; you are not participating, do not intend to participate, and have no arrangement or undertaking with anyone to participate, in the distribution of the exchange notes issued to you in the exchange offer; and

you are not an affiliate of our company, as that term is defined in Rule 405 of the Securities Act.

If any of these conditions are not satisfied and you transfer any exchange notes issued to you in the exchange offer without delivering

12

a proper prospectus or without qualifying for a registration exemption, you may incur liability under the Securities Act. We will not be responsible for, or indemnify you against, any liability you incur.

Any broker-dealer that acquires exchange notes in the exchange offer for its own account in exchange for outstanding notes which it acquired through market-making or other trading activities must acknowledge that it will deliver this prospectus when it resells or transfers any exchange notes issued in the exchange offer. See Plan of Distribution for a description of the prospectus delivery obligations of broker-dealers.

Summary of The Exchange Notes

The summary below describes the principal terms of the exchange notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of Notes section of this prospectus contains more detailed descriptions of the terms and conditions of the exchange notes.

Issuers	Navios Maritime Holdings Inc. and Navios Maritime Finance II (US) Inc.
Notes offered	$350,000,000 aggregate principal amount of 81/8% Senior Notes due 2019.
Maturity	The exchange notes will mature on February 15, 2019.
Interest payment dates	We will pay interest on the exchange notes semi-annually on February 15 and August 15 of each year, beginning August 15, 2011.
Ranking	The exchange notes will be the senior unsecured obligations of Navios Maritime Holdings Inc. and Navios Maritime Finance II (US) Inc. Each of our direct and indirect subsidiaries that guarantee our existing notes will guarantee the exchange notes offered hereby. The exchange notes will rank: equal in right of payment to all of our existing and future unsecured obligations that are not, by their terms, expressly subordinated in right of payment to the exchange notes; senior in right of payment to all existing and future obligations that are, by their terms, expressly subordinated in right of payment to the exchange notes; effectively subordinated to all existing and future secured obligations, including our existing senior secured notes due 2017, and other secured obligations, to the extent of the value of the assets securing such obligations; and effectively subordinated to all indebtedness of our non-guarantor subsidiaries. As of March 31, 2011, Navios Maritime Holdings Inc. and the subsidiary guarantors had approximately $1,308.4 million of indebtedness outstanding, including $938.4 million of secured indebtedness, which is senior to the exchange notes, and our non-guarantor subsidiaries had approximately $126.0 million of indebtedness outstanding, which is structurally senior to the exchange notes. Our non-guarantor subsidiaries accounted for approximately $221.5 million, or 32.6%, of our total revenue, approximately $1,553.0 million, or 42.2%, of our total assets and approximately $957.1 million, or 40.6%, of our total liabilities, in each case for the year

ended December 31, 2010. As of March 31, 2011, our non-guarantor subsidiaries accounted for approximately $69.5 million, or 38.2%, of our total revenue, approximately $542.0 million, or 18.9%, of our total assets and approximately $209.1 million, or 12.2%, of our total liabilities.

As of March 30, 2011, Navios Acquisition is no longer a consolidated subsidiary and our consolidated statement of operations for March 31, 2011 includes results for Navios Acquisition only through March 30,

	2011. From that date onwards, Navios Acquisition is considered as an affiliate entity of Navios Holdings and is not a controlled subsidiary of the Company, and the investment in Navios Acquisition is now accounted for under the equity method due to the Company s significant influence over Navios Acquisition.
	See footnote 25 to our audited consolidated financial statements for the year ended December 31, 2010 and footnote 15 to our unaudited consolidated financial statements for the three months ended March 31, 2011 (in which the financial information for our non-guarantor subsidiaries includes information for Navios Acquisition and Navios Logistics, as applicable) incorporated by reference in this prospectus.
Guarantees	On the issue date, the exchange notes will be fully and unconditionally guaranteed, jointly and severally, by all of our direct and indirect subsidiaries that guarantee the existing notes, which excludes certain subsidiaries that have been or will be designated as unrestricted subsidiaries. Each wholly owned material subsidiary that we create or acquire following the issue date will also be required to guarantee the exchange notes unless such subsidiary has been designated as an unrestricted subsidiary or is a securitization subsidiary. See Description of Notes Certain Covenants Designation of Restricted and Unrestricted Subsidiaries Subsidiary Guarantees.
Optional redemption	We may redeem the exchange notes in whole or in part, at our option, at any time (1) before February 15, 2015, at a redemption price equal to 100% of the principal amount plus the applicable make-whole premium described under Description of Notes Optional Redemption plus accrued and unpaid interest, if any, and (2) on or after February 15, 2015, at the redemption prices listed under Description of Notes Optional Redemption plus accrued and unpaid interest, if any.
Equity offering optional redemption	In addition, at any time before February 15, 2014, we may redeem up to 35% of the aggregate principal amount of the exchange notes with the net proceeds of an equity offering at 108.125% of the principal amount of the exchange notes, plus accrued and unpaid interest, if any, so long as at least 65% of the originally issued aggregate principal amount of the exchange notes remains outstanding after such redemption. See Description of Notes Optional Redemption.
Change of control	Upon the occurrence of certain change of control events, you will have the right, as a holder of the exchange notes, to require us to repurchase some or all of your exchange notes at 101% of their face amount, plus accrued and unpaid interest to the repurchase date. See Description of Notes Repurchase at the Option of Holders Change of Control.
Certain covenants	Navios Maritime Holdings Inc. and Navios Maritime Finance II (US) Inc. issued the exchange notes under an indenture. The indenture governing the exchange notes contain covenants that, among other things, limit the

ability of Navios Maritime Holdings Inc. and its restricted subsidiaries to:

incur additional indebtedness or issue certain preferred stock;

	pay dividends on, redeem or repurchase our capital stock or make other restricted payments and investments;
	create certain liens;
	transfer or sell assets;
	enter into certain transactions with our affiliates;
	merge, consolidate or sell all or substantially all of our properties and assets; and
	create or designate unrestricted subsidiaries.
	These restrictions and prohibitions are subject to a number of important qualifications and exceptions. See Description of Notes Certain Covenants.
Risk factors	You should consider carefully all of the information set forth in this prospectus and, in particular, the information under the heading Risk Factors before participating in the exchange offer.

For more complete information about the exchange notes, see the Description of Notes section of this prospectus.

Table of Contents

Selected Consolidated Historical Financial Data

The following table sets forth selected consolidated historical financial data for our business. This information is qualified by reference to, and should be read in conjunction with, our consolidated financial statements and notes thereto, as well as the sections entitled, Operating and Financial Review and Prospects which are incorporated by reference herein from our Report on Form 6-K dated August 9, 2011. The selected historical financial information and operating results for the years ended December 31, 2010, 2009 and 2008 and the consolidated balance sheet data as of December 31, 2010 and 2009 have been derived from our audited consolidated financial statements incorporated by reference herein from our Report on Form 6-K dated August 9, 2011. The consolidated statement of operations data for the years ended December 31, 2007 and 2006, and the balance sheet data as of December 31, 2008, 2007 and 2006, have been derived from our audited financial statements which are not incorporated by reference into this prospectus. The selected consolidated historical financial data for the three-month periods ended March 31, 2011 and 2010 have been derived from our unaudited financial statements incorporated by reference herein from our Report on Form 6-K dated August 9, 2011. In the opinion of management, unaudited financial statements presented include all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of the results for the periods presented. Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

The historical results included below and elsewhere in this prospectus are not necessarily indicative of our future performance.

	Three Months Ended March 31,		Year Ended December 31,				
	2011	2010	2010	2009	2008	2007	2006
	(Unaudited)						
	(In thousands of U.S. dollars)						
Statement of Income Data							
Revenue	$ 181,772	$ 154,369	$ 679,918	$ 598,676	$ 1,246,062	$ 758,420	$ 205,375
Time charter, voyage and logistics business expenses	(59,114)	(76,501)	(286,136)	(316,743)	(1,034,435)	(557,573)	(84,225)
Direct vessel expenses	(34,018)	(20,044)	(97,531)	(68,549)	(58,425)	(27,892)	(19,863)
General and administrative expenses	(12,774)	(12,193)	(58,604)	(43,897)	(37,047)	(23,058)	(15,057)
Depreciation and amortization	(33,321)	(24,941)	(101,793)	(73,885)	(57,062)	(31,900)	(37,129)
Gain on sale of assets/gain on sale of subsidiary		24,383	55,432	20,785	27,817	167,511	
Interest income/expense and finance cost, net	(29,437)	(21,409)	(102,380)	(61,919)	(41,375)	(40,270)	(43,597)

(Loss)/gain on derivatives	(385)	(1,838)	4,064	375	8,092	25,100	20,322
(Loss)/gain on change in control	(35,325)		17,742				
Loss on bond extinguishment	(21,199)						
Other income and expense, net	(975)	(3,799)	(5,614)	(14,666)	(6,921)	3,185	(5,431)
(Loss)/income before equity in net earnings of affiliated companies	**(44,776)**	**18,027**	**105,098**	**40,177**	**46,706**	**273,523**	**20,395**
Equity in net earnings of affiliated companies	7,015	11,584	40,585	29,222	17,431	1,929	674
(Loss)/income before taxes	**(37,761)**	**29,611**	**145,683**	**69,399**	**64,137**	**275,452**	**21,069**
Income taxes	904	768	(414)	1,565	56,113	(4,451)	
Net (loss)/income	**(36,857)**	**30,379**	**145,269**	**70,964**	**120,250**	**271,001**	**21,069**
Less: Net loss/(income) attributable to the noncontrolling interest	(1,273)	922	488	(3,030)	(1,723)		
Preferred stock dividends of subsidiary	(27)						
Preferred stock dividends attributable to the noncontrolling interest	12						
Net (loss)/income attributable to Navios Holdings common stockholders	**(38,145)**	**31,301**	**145,757**	**67,934**	**118,527**	**271,001**	**21,069**
Less: Incremental fair value of securities offered to induce warrants exercise						(4,195)	
(Loss)/income available to	**$ (38,145)**	**$ 31,301**	**$ 145,757**	**$ 67,934**	**$ 118,527**	**$ 266,806**	**$ 21,069**

Navios Holdings common shareholders

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006
	(Unaudited)						
	(In thousands of U.S. dollars)						
Balance Sheet Data (at period end)							
Current assets, including cash	$ 317,185	$ 487,442	$ 349,965	$ 427,680	$ 505,409	$ 848,245	$ 195,869
Total assets	2,869,951	2,959,962	3,676,767	2,935,182	2,253,624	1,971,004	944,783
Current liabilities, including current portion of long term debt	205,396	192,105	201,603	196,080	271,532	450,491	108,979
Total long term debt, including current portion	1,434,479	1,586,406	2,075,910	1,622,706	887,715	614,049	568,062
Navios Holdings stockholders equity	1,020,781	972,063	1,059,583	925,480	805,820	769,204	274,216
Other Financial Data							
Net cash provided by/(used in) operating activities	54,933	24,032	182,490	216,451	(28,388)	128,075	56,432
Net cash (used in)/provided by investing activities	(133,566)	58,736	(129,769)	(802,538)	(452,637)	(16,451)	(111,463)
Net cash provided by/(used in) financing activities	51,383	(45,781)	(19,244)	626,396	187,082	216,285	116,952
Book value per common share	10.04	9.63	10.43	9.17	8.02	7.23	4.42
Ratio of earnings to fixed charges(1)		1.61	1.75	1.41	1.17	2.48	1.31
Cash dividends per common share	0.07	0.06	0.24	0.27	0.38	0.24	0.25
Cash dividends per preferred share	49.32	94.79	345.52	52.35			
Cash paid for common stock dividend declared	7,241	6,060	24,107	27,154	28,588	26,023	15,382
Cash paid for preferred stock dividend declared	418	975	2,930	429			

(1) The ratio of earnings to fixed charges is calculated as follows:

	March 31,		December 31,				
	2011	2010	2010	2009	2008	2007	2006
Earnings:							
(a) pre-tax income (loss) from continuing operations before adjustment for income or loss from equity investees	(44,776)	18,027	105,098	40,177	46,706	273,523	20,395
(b) fixed charges	44,156	38,675	170,047	145,103	353,672	185,719	67,700
(c) amortization of capitalized interest							
(d) distributed income of equity investees	6,126	5,377	22,197	18,944	13,250	678	583
(e) share of pre-tax losses of equity investees for which charges arising from guarantees are included in fixed charges							
Less:							
(a) Interest capitalized							
(b) preference security dividend requirements of consolidated subsidiaries	(27)						
(c) noncontrolling interest in pre-tax income of subsidiaries that have not incurred fixed charges							
Total	**5,479**	**62,079**	**297,342**	**204,224**	**413,628**	**459,920**	**88,678**

18

	March 31,		December 31,				
	2011	**2010**	**2010**	**2009**	**2008**	**2007**	**2006**
Fixed charges:							
(a) Interest expensed and capitalized	32,462	21,086	105,565	68,790	51,438	49,287	39,425
(b) amortization of debt expense and discount or premium and capitalized expenses related to indebtedness	1,331	1,614	11,752	6,682	2,077	1,856	8,004
(c) an estimate of the interest within rental expense	10,336	15,975	52,730	69,631	300,157	134,576	20,271
(d) preference security dividend requirements of consolidated subsidiaries	27						
Total	**44,156**	**38,675**	**170,047**	**145,103**	**353,672**	**185,719**	**67,700**
Earnings to fixed charges	**(A)**	**1.61**	**1.75**	**1.41**	**1.17**	**2.48**	**1.31**

(A) Additional pre-tax income from continuing operations before adjustment for income or loss from equity investees of $38,677 would be necessary to generate a ratio of earnings to fixed charges of 1.00.

Table of Contents

RISK FACTORS

You should carefully consider the risk factors set forth below and the other information included in or incorporated by reference into this prospectus before deciding to participate in the exchange offer. The risks described below are not the only risks that we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also impair our business operations. Any of these risks may have a material adverse effect on our business, financial condition, results of operations and cash flows. In such a case, you may lose all or part of your investment in the exchange notes.

Risks Relating to the Notes and our Business

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

As of March 31, 2011, Navios Holdings and its consolidated subsidiaries had $1,434.5 million in aggregate principal amount of debt outstanding of which $370.0 million was unsecured. We also have up to $30.0 million available to us under our existing credit facilities.

Our substantial debt could have important consequences to holders of the notes. Because of our substantial debt:

- our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, vessel or other acquisitions or general corporate purposes and our ability to satisfy our obligations with respect to the notes may be impaired in the future;
- a substantial portion of our cash flow from operations must be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available to us for other purposes;
- we will be exposed to the risk of increased interest rates because our borrowings under our senior secured credit facility will be at variable rates of interest;
- it may be more difficult for us to satisfy our obligations to our lenders and noteholders, resulting in possible defaults on and acceleration of such indebtedness;
- we may be more vulnerable to general adverse economic and industry conditions;
- we may be at a competitive disadvantage compared to our competitors with less debt or comparable debt at more favorable interest rates and that, as a result, we may be better positioned to withstand economic downturns;
- our ability to refinance indebtedness may be limited or the associated costs may increase; and
- our flexibility to adjust to changing market conditions and ability to withstand competitive pressures could be limited, or we may be prevented from carrying out capital spending that is necessary or important to our growth strategy and efforts to improve operating margins or our business.

Despite our current indebtedness levels, we and our subsidiaries may be able to incur substantially more debt, including secured debt. This could further exacerbate the risks associated with our substantial indebtedness.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. The agreements governing our senior secured credit facilities and the indentures governing our existing notes, including the exchange notes, do not fully prohibit us or our subsidiaries from doing so. As of March 31, 2011, Navios Holdings and its consolidated subsidiaries had $1,434.5 million in aggregate principal amount of debt outstanding of which $1,064.5 million was secured. Such secured indebtedness and any other secured indebtedness permitted under our senior secured credit facility and the indentures would be effectively senior to the notes to the extent of the value of the assets securing such indebtedness, as would all indebtedness of non-guarantor subsidiaries. We also may incur new indebtedness in connection with our exercise of purchase options on vessels. If new debt is added to our current debt levels, the related risks that we now face would increase and we may not be able to meet all our debt obligations, including the repayment of the notes. In addition, the indentures governing our existing notes, including the exchange notes, do not prevent us from incurring obligations that do not constitute indebtedness as defined therein.

The agreements and instruments governing our debt will contain restrictions and limitations that could significantly impact our ability to operate our business and adversely affect the holders of the notes.

Our senior secured credit facilities, the indentures governing our existing notes, the outstanding notes and the exchange notes, impose certain operating and financial restrictions on us. These restrictions may limit our ability to:

- incur guarantees or additional indebtedness;
- create liens on its assets;
- make investments;
- engage in mergers and acquisitions;
- pay dividends or redeem capital stock;
- make capital expenditures;
- engage in certain FFA trading activities;
- change the management of its vessels or terminate the management agreements we have relating to each vessel;
- enter into long-term charter arrangements without the consent of the lender; and
- sell any of our vessels.

Therefore, we will need to seek permission from our lenders in order to engage in some corporate and commercial actions that we believe would be in the best interest of our business, and a denial of permission may make it difficult for us to successfully execute our business strategy or effectively compete with companies that are not similarly restricted. Our lenders interests may be different from our interests or the interests of the holders of the notes, and we cannot guarantee that we will be able to obtain our lenders permission when needed. This may prevent us from taking actions that are in our best interest. Any future credit agreement may include similar or more restrictive provisions.

Our senior secured credit facilities contain requirements that the value of the collateral provided pursuant to the senior secured credit facilities must be equal or exceed by a certain percentage the amount of outstanding borrowings under senior secured credit facilities and that we maintain a minimum liquidity level. In addition, our senior secured credit facilities contain similar restrictive covenants as those contained in the indentures. It is an event of default under our senior secured credit facility if such covenants are not complied with or if Ms. Angeliki Frangou, our Chairman and Chief Executive Officer, ceases to hold a minimum percentage of the issued stock, does not remain actively involved in the operating business, or ceases to be our Chief Executive Officer. Our ability to comply with the covenants and restrictions contained in our senior secured credit facilities and the indentures governing our notes may be affected by economic, financial and industry conditions and other factors beyond our control. Any default under the agreements governing our indebtedness, including a default under our senior secured credit facilities, that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness, could prevent us from paying principal, premium, if any, and interest on the notes and substantially decrease the market value of the notes. If we are unable to repay debt, lenders having secured obligations, such as the lenders under our senior secured credit facilities, could proceed against that debt. In any such case, we may be unable to borrow under our senior secured credit facilities and may not be able to repay the amounts due under our senior secured credit facilities and the notes. This could have serious consequences to our financial condition and results of operations and could cause us to become bankrupt or insolvent. Our ability to comply with these covenants in future periods will also depend substantially on the value of our assets, our charter rates, our success at

Table of Contents

keeping our costs low and our ability to successfully implement our overall business strategy. Any future credit agreement or amendment may contain similar or more restrictive covenants.

The market values of our vessels, which have declined from historically high levels, may fluctuate significantly, which could cause us to breach covenants in our credit facilities.

Factors that influence vessel values include:

- prevailing level of charter rates;
- number of newbuilding deliveries;
- number of vessels scrapped or otherwise removed from the total fleet;
- changes in environmental and other regulations that may limit the useful life of vessels;
- changes in global drybulk commodity supply and demand;
- types and sizes of vessels;
- development of and increase in use of other modes of transportation;
- cost of vessel construction;
- cost of newbuilding vessels;
- governmental or other regulations; and
- general economic and market conditions affecting the shipping industry.

If the market values of our owned vessels decrease, we may breach covenants contained in our secured credit facilities. If we breach such covenants and are unable to remedy any relevant breach, our lenders could accelerate our debt and foreclose on that debt. Any loss of vessels would significantly decrease our ability to generate positive cash flow from operations and, therefore, service our debt. In addition, if the book value of a vessel is impaired due to unfavorable market conditions, or a vessel is sold at a price below its book value, we would incur a loss.

In addition, as vessels grow older, they generally decline in value. We will review our vessels for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. We review certain indicators of potential impairment, such as undiscounted projected operating cash flows expected from the future operation of the vessels, which can be volatile for vessels employed on short-term charters or in the spot market. Any impairment charges incurred as a result of declines in charter rates would negatively affect our financial condition and results of operations. In addition, if we sell any vessel at a time when vessel prices have fallen and before we have recorded an impairment adjustment to our financial statements, the sale may be at less than the vessel s carrying amount on our financial statements, resulting in a loss and a reduction in earnings.

Our ability to generate the significant amount of cash needed to pay interest and principal and otherwise service our debt and our ability to refinance all or a portion of our indebtedness or obtain additional financing depends on many factors, many of which may be beyond our control.

Our ability to make scheduled payments on, or to refinance our obligations under, our debt, including our existing notes, the outstanding notes and the exchange notes, will depend on our financial and operating performance, which, in turn, will be subject to prevailing economic and competitive conditions and to the financial and business factors, many of which may be beyond our control.

We will use cash to pay the principal and interest on our debt, including the notes. These payments limit funds otherwise available for working capital, capital expenditures, vessel acquisitions and other purposes. As a result of these obligations, our current liabilities may exceed our current assets. We may need to take on additional debt as we expand our fleet, which could increase our ratio of debt to equity. The need to service our debt may limit funds available for other purposes and our inability to service debt in the future could lead to acceleration of our debt and foreclosure on our owned vessels.

Our senior secured credit facilities mature on various dates through September 2021. In addition, borrowings under the senior secured credit facilities have amortization requirements prior to final maturity. As a result, we may be required to refinance any outstanding amounts under these facilities prior to the scheduled maturity of the notes. We cannot assure you that we will be able to refinance any of our indebtedness or obtain additional financing, particularly because of our anticipated high levels of indebtedness and the indebtedness incurrence restrictions imposed by the agreements governing our indebtedness, as well as prevailing market conditions. We could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our indebtedness service and other obligations.

Our senior secured credit facilities and the indentures governing our existing notes, the outstanding notes and the exchange notes do, and any future indebtedness may, restrict our ability to dispose of assets and use the proceeds from any such dispositions. If we do not reinvest the proceeds of asset sales in our business (in the case of asset sales of non-collateral with respect to such indebtedness) or in new vessels or other related assets that are mortgaged in favor of the lenders under our senior secured credit facilities (in the case of assets sales of collateral securing), we may be required to use the proceeds to repurchase senior indebtedness other than the notes. We cannot assure you we will be able to consummate any asset sales, or if we do, what the timing of the sales will be or whether the proceeds that we realize will be adequate to meet indebtedness service obligations when due.

Most of our senior secured credit facilities require that we maintain loan to collateral value ratios in order to remain in compliance with the covenants set forth therein. If the value of such collateral falls below such required level, we would be required to either prepay the loans or post additional collateral to the extent necessary to bring the value of the collateral as compared to the aggregate principal amount of the loan back to the required level. We cannot assure you that we will have the cash on hand or the financing available to prepay the loans or have any unencumbered assets available to post as additional collateral. In such case, we would be in default under such credit facility and the collateral securing such facility would be subject to foreclosure by the applicable lenders.

Moreover, certain of our senior secured credit facilities may be secured by vessels that are under construction pursuant to shipbuilding contracts. Because we would rely on these facilities to finance the scheduled payments as they come due under the shipbuilding contracts, it is possible that any default under such a facility would result, in the absence of other available funds, in default by us under the associated shipbuilding contract. In such a case, our rights in the related newbuild would be subject to foreclosure by the applicable creditor. In addition, a payment default under a shipbuilding contract would give the shipyard the right to terminate the contract without any further obligation to finish construction and may give it rights against us for having failed to make the required payments.

The notes are unsecured and structurally subordinated to the rights of our and the guarantors existing and future secured creditors.

The indentures governing the existing notes, the outstanding notes and the exchange notes, permit us to incur a significant amount of secured indebtedness, including indebtedness under our senior secured credit facilities and indebtedness to be used for acquisitions of vessels and businesses. The substantial majority of our debt has been and will continue to be secured debt used to purchase vessels. Indebtedness under our senior secured credit facilities is secured by mortgages on all our vessels owned by our wholly-owned vessel subsidiaries. The notes are unsecured and therefore do not have the benefit of such collateral. Accordingly, the notes are effectively subordinated to all such secured indebtedness. If an event of default occurs under our senior secured credit facilities or under future secured indebtedness, the senior secured lenders will have a prior right to our assets mortgaged in their favor, to the exclusion of the holders of our existing notes, the outstanding notes and the exchange notes, even if we are in default under the notes. In that event, our assets and the assets of the subsidiary guarantors would first be used to repay in full all indebtedness and other obligations secured by them (including all amounts outstanding under our senior secured credit facilities), resulting in all or a portion of our assets being unavailable to satisfy the claims of the holders of the notes and other unsecured indebtedness. Therefore, in the event of any distribution or payment of our assets in any foreclosure, dissolution, winding-up, liquidation, reorganization, or other bankruptcy proceeding, holders of notes will participate in our remaining assets ratably with all holders of our unsecured indebtedness that is deemed to be of the same class as such notes, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the notes. As a result, holders of notes may receive less, ratably, than holders of secured indebtedness.

Table of Contents

The notes are effectively subordinated to the obligations of our current non-guarantor subsidiaries, which include our unrestricted subsidiaries, and any future non-guarantor subsidiaries.

The existing notes, the outstanding and the exchange the notes, are not guaranteed by certain of our subsidiaries, including Navios Logistics. Navios Logistics and certain of our other subsidiaries are also unrestricted subsidiaries and therefore are not subject to any of the covenants under the indenture governing the notes. Unrestricted subsidiaries may, among other things, incur without limitation additional indebtedness and liens, make investments and acquisitions, and sell assets or stock. In addition, we will be able to sell unrestricted subsidiaries, or distribute unrestricted subsidiaries or the proceeds from a sale of any of their assets or stock to stockholders, or enter into merger, joint venture or other transactions involving them, or any combination of the foregoing, without restrictions. Payments on the existing notes, the outstanding notes and the exchange notes, are only required to be made by us and the subsidiary guarantors. Accordingly, claims of holders of the notes will be, and claims of the existing notes are, structurally subordinated to the claims of creditors of our non-guarantor subsidiaries (which will include any subsidiary that is designated as an unrestricted subsidiary or is a securitization subsidiary, in each case in accordance with the indentures, and any future subsidiaries that are not wholly-owned by us), including trade creditors. We may also be able to create future non-guarantor subsidiaries or unrestricted subsidiaries under the indentures. All obligations of our non-guarantor subsidiaries, including trade payables, will have to be satisfied before any of the assets of such subsidiary would be available for distribution, upon liquidation or otherwise, to us or a subsidiary guarantor. Our non-guarantor subsidiaries accounted for approximately $221.5 million, or 32.6%, of our total revenue, approximately $1,553.0 million, or 42.2%, of our total assets and approximately $957.1 million, or 40.6%, of our total liabilities, in each case for the year ended December 31, 2010. As of March 31, 2011, our non-guarantor subsidiaries accounted for approximately $69.5 million, or 38.2%, of our total revenue, approximately $542.0 million, or 18.9%, of our total assets and approximately $209.1 million, or 12.2%, of our total liabilities. Navios Acquisition was an unrestricted subsidiary on the issue date of the outstanding notes. As of March 30, 2011, Navios Acquisition is no longer a consolidated subsidiary and our consolidated statement of operations for March 31, 2011 includes results for Navios Acquisition only through March 30, 2011. From that date onwards, Navios Acquisition is considered as an affiliate entity of Navios Holdings and is not a controlled subsidiary of the Company, and the investment in Navios Acquisition is now accounted for under the equity method due to the Company s significant influence over Navios Acquisition. See footnote 25 to our audited consolidated financial statements for the year ended December 31, 2010 and footnote 15 to our unaudited consolidated financial statements for the three months ended March 31, 2011 (in which the financial information for our non-guarantor subsidiaries includes information for Navios Acquisition and Navios Logistics, as applicable) incorporated by reference in this prospectus.

We may be unable to raise funds necessary to finance the change of control repurchase offer required by the indenture governing the notes.

If we experience specified changes of control, we would be required to make an offer to repurchase all of the existing notes, the outstanding notes and the exchange notes (unless otherwise redeemed) at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the repurchase date. The occurrence of specified events that would constitute a change of control will constitute a default under our senior secured credit facilities. There are also change of control events that would constitute a default under the senior secured credit facilities that would not be a change of control under the indenture. In addition, our senior secured credit facilities prohibit the purchase of the notes by us in the event of a change of control, unless and until such time as the indebtedness under our senior secured credit facilities is repaid in full. As a result, following a change of control event, we would not be able to repurchase notes unless we first repay all indebtedness outstanding under our senior secured credit facilities and any of our other indebtedness that contains similar provisions, or obtain a waiver from the holders of such indebtedness to permit us to repurchase the existing notes, the outstanding notes and the exchange notes. We may be unable to repay all of that indebtedness or obtain a waiver of that type. Any requirement to offer to repurchase outstanding notes may therefore require us to refinance our other outstanding debt, which we may not be able to do on commercially reasonable terms, if at all. In addition, our failure to purchase the existing notes, the outstanding notes and the exchange notes, after a change of control in accordance with the terms of the indentures would constitute an event of default under the indentures, which in turn would result in a default under our senior secured credit facilities. See Description of Notes.

Our inability to repay the indebtedness under our senior secured credit facilities would also constitute an event of default under the indentures governing the existing notes, the outstanding notes and the exchange notes, which could have materially adverse consequences to us and to the holders of the notes. In the event of a change of control, we cannot assure you that we would have sufficient assets to satisfy all of our obligations under our senior credit facility and the existing notes, the outstanding notes and the exchange notes. Our future indebtedness may also require such indebtedness to be repurchased upon a change of control.

An increase in interest rates would increase the cost of servicing our debt and could reduce our profitability.

Our debt under our senior secured credit facility bears interest at variable rates. We may also incur indebtedness in the future with variable interest rates. As a result, an increase in market interest rates would increase the cost of servicing our debt and could materially reduce our profitability and cash flows. The impact of such an increase would be more significant for us than it would be for some other companies because of our substantial debt.

If the recent volatility in LIBOR continues, it could affect our profitability, earnings and cash flow.

LIBOR has recently been volatile, with the spread between LIBOR and the prime lending rate widening significantly at times. These conditions are the result of the recent disruptions in the international credit markets. Because the interest rates borne by our outstanding indebtedness fluctuate with changes in LIBOR, if this volatility were to continue, it would affect the amount of interest payable on our debt, which in turn, could have an adverse effect on our profitability, earnings and cash flow.

Furthermore, interest in most loan agreements in our industry has been based on published LIBOR rates. Recently, however, lenders have insisted on provisions that entitle the lenders, in their discretion, to replace published LIBOR as the base for the interest calculation with their cost-of-funds rate. Such provisions could significantly increase our lending costs, which would have an adverse effect on our profitability, earnings and cash flow.

The international nature of our operations may make the outcome of any bankruptcy proceedings difficult to predict.

We are incorporated under the laws of the Republic of the Marshall Islands and our subsidiaries are also incorporated under the laws of the Marshall Islands, the Republic of Liberia, Malta and certain other countries other than the United States, and we conduct operations in countries around the world. Consequently, in the event of any bankruptcy, insolvency or similar proceedings involving us or one of our subsidiaries, bankruptcy laws other than those of the United States could apply. We have limited operations in the United States. If we become a debtor under the United States bankruptcy laws, bankruptcy courts in the United States may seek to assert jurisdiction over all of our assets, wherever located, including property situated in other countries. There can be no assurance, however, that we would become a debtor in the United States or that a United States bankruptcy court would be entitled to, or accept, jurisdiction over such bankruptcy case or that courts in other countries that have jurisdiction over us and our operations would recognize a United States bankruptcy court s jurisdiction if any other bankruptcy court would determine it had jurisdiction.

Our being subject to certain fraudulent transfer and conveyance statutes may have adverse implications for the holders of the notes.

Fraudulent transfer and insolvency laws may void, subordinate or limit the notes and the guarantees.

Marshall Islands

Navios Maritime Holdings Inc. and some of the guarantors as of the issue date are organized under the laws of the Republic of the Marshall Islands. While the Republic of the Marshall Islands does not have a bankruptcy statute or general statutory mechanism for insolvency proceedings, a Marshall Islands court could apply general U.S. principles of fraudulent conveyance, discussed below, in light of the provisions of the Marshall Islands Business Corporations Act, or the BCA, restricting the grant of guarantees without a corporate purpose. In such case, a Marshall Islands court could void or subordinate the notes or the guarantees, including for the reasons a United States court could void or subordinate a guarantee as described below.

United States

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the notes and the incurrence of the guarantees, particularly any future guarantees of any U.S. subsidiaries we might create. Under U.S. federal bankruptcy law and comparable provisions of U.S. state fraudulent transfer or conveyance laws, if any such law would be deemed to apply, which may vary from state to state, the notes or the guarantees could be voided as a fraudulent transfer or conveyance if (1) we or any of the guarantors, as applicable, issued the notes or incurred the guarantees with the intent of hindering, delaying or defrauding creditors or (2) we or any of the guarantors, as applicable, received less than reasonably equivalent value or fair consideration in return for either issuing the notes or incurring the guarantees and, in the case of (2) only, one of the following is also true at the time thereof:

- we or any of the guarantors, as applicable, were insolvent or rendered insolvent by reason of the issuance of the notes or the incurrence of the guarantees;

- the issuance of the notes or the incurrence of the guarantees left us or any of the guarantors, as applicable, with an unreasonably small amount of capital to carry on the business;

- we or any of the guarantors intended to, or believed that we or such guarantor would, incur debts beyond our or such guarantor s ability to pay as they mature; or

- we or any of the guarantors was a defendant in an action for money damages, or had a judgment for money damages docketed against us or such guarantor if, in either case, after final judgment, the judgment is unsatisfied.

If a court were to find that the issuance of the notes or the incurrence of the guarantee was a fraudulent transfer or conveyance, the court could void the payment obligations under the notes or such guarantee or further subordinate the notes or such guarantee to presently existing and future indebtedness of ours or of the related guarantor, or require the holders of the notes to repay any amounts received with respect to such guarantee. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the notes. Further, the voidance of the notes could result in an event of default with respect to our and our subsidiaries other debt that could result in acceleration of such debt.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or an antecedent debt is secured or satisfied. A debtor will generally not be considered to have received value in connection with a debt offering if the debtor did not substantially benefit directly or indirectly from the transaction. In that regard, a debtor will generally not be considered to have received value if the proceeds of a debt offering were used to make a dividend payment or otherwise retire or redeem equity securities issued by the debtor.

We cannot be certain as to the standards a court would use to determine whether or not we or the guarantors were solvent at the relevant time or, regardless of the standard that a court uses, that the issuance of the guarantees would not be further subordinated to our or any of our guarantors other debt. Generally, however, an entity would be considered insolvent if, at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all its assets; or the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they become due.

Greece

If Navios Maritime Holdings Inc. or any of the guarantors files a petition for bankruptcy in Greece, Greek bankruptcy law will apply.

Table of Contents

Under Greek law, upon a court declaration of bankruptcy, all the assets of the bankrupt party are placed under the control of a receiver to be held for the benefit of all creditors. After a court declaration of a bankruptcy, the bankrupt party may, following an application to, and approval by the bankruptcy court, continue to manage its assets with the cooperation of a receiver. In addition, certain transactions occurring prior to the declaration of bankruptcy may be found by the court to be null and void by operation of law, or may be declared null and void by the court after an examination of the merits of particular transactions if they are executed by the bankrupt party during the so-called suspect period. The suspect period is the time between the day of discontinuance of payments, which is determined by the Greek court and may predate the declaration of bankruptcy by up to two years, and the date of the declaration of bankruptcy.

Transactions that will be declared null and void by operation of law are:

- Any unilateral act by the bankrupt party having the effect of reducing its assets (including, without limitation, making donations, waiving debts, and granting interest-free loans) and making any payments other than in cash or commercial paper during the suspect period or ten days prior to the commencement of such period; and

- Any mortgage or pledge of any asset of the bankrupt party granted during the suspect period as security for a previous debt.

The court will declare transactions in the above two categories null and void without taking into consideration any arguments from the parties to such transactions.

Certain other transactions entered into up to five (5) years prior to the entry into bankruptcy may be declared null and void by the bankruptcy court if it is concluded by the court that they were entered into with a malicious intent (dolus) to prevent creditors from satisfying their bona fide claims.

Moreover, the Greek court may declare any payments or transactions (including the issuance of notes or guarantees) during the suspect period null and void if the person who transacted with the bankrupt party knew that the latter was in a state of discontinuance of payments and if such payments or transactions were harmful to the creditors of the bankrupt party.

Belgium

Pursuant to Belgian law, a company can only carry out transactions which serve the company s best interest. Since the group interest is not recognized, each company should be considered as an individual entity. Accordingly, a Belgian company should not grant a guarantee and encumber its own assets for obligations of other companies, whether parent or affiliated companies, unless it can demonstrate that this serves its corporate interest. Even if the granting of the guarantee is not in the corporate interest of the company, the guarantee will, in principle, remain valid. If however the beneficiary of the guarantee knew (or reasonably should have known) that the guarantee was against the corporate interest, the guarantee could be declared null and void. The final decision as to whether the corporate interest test has been met is a question of fact and will ultimately be made by a court.

In case bankruptcy proceedings are opened in Belgium, Belgian law will apply. Under Belgian law, in general, all the assets of the bankrupt party are placed under the control of a receiver. The bankrupt debtor is considered to be deprived of the powers of administration over its assets as of midnight on the day of the bankruptcy order. All payments and acts by the bankrupt debtor as of the day of the bankruptcy order are not enforceable against the body of creditors.

Pursuant to Article 5 of the Council Regulation (EC) No 1346/2000 of May 29, 2000 on insolvency proceedings (the Insolvency Regulation), the opening of insolvency proceedings shall not affect the rights *in rem* of creditors or third parties in respect of tangible or intangible assets, moveable or immoveable assets belonging to the bankrupt debtor within the territory of another member state of the European Union (the EU) (with the exception of Denmark) at the time of the opening of the bankruptcy proceedings. Actions for voidness, voidability or unenforceability of legal acts detrimental to all the creditors are, however not precluded.

The commercial court could render (and will sometimes be obliged to render) certain acts of the bankrupt company unenforceable against the body of creditors. Certain acts must or can be declared unenforceable if they were performed by the company at a time when it had already ceased its payments, i.e. during the suspect period . The day of cessation of payments is assumed to be the date on which the company is declared bankrupt. This date can however be brought back by a court order at the request of the bankruptcy trustee or of any interested third party, up to 6 months before the date of the bankruptcy order, provided that sound and objective circumstances show unmistakably that the debtor had already ceased such payments before the date of the adjudication of bankruptcy. In case a company was wound-up more than 6 months before the bankruptcy order, the date of cessation of payments can be brought back to the date of its (factual or legal) winding-up if the winding-up was done to the prejudice of its creditors. The following actions will be declared unenforceable against the body of creditors if performed during the suspect period:

(i) Disposition of assets by the bankrupt debtor without consideration as well as any acts or agreements whereby the value of the assets and/or services rendered by the bankrupt debtor is substantially higher than the received consideration;

(ii) Payments made by the bankrupt debtor other than in cash or negotiable paper; such as bills of exchange or cheques;

(iii) Payments for unmatured debts; and

(iv) Granting of security interests for antecedent debt.

Even principally enforceable preference rights and mortgages which are subject to registration and inscription can be declared unenforceable if they were registered and inscribed during the suspect period and more than 15 days have passed between the deed establishing the preference right and the date of registration.

The court can also declare other acts unenforceable if they took place during the suspect period and if the third party was aware of the cessation of payments by the company. Finally, any acts or payments, whenever performed, that are to the fraudulent detriment of the creditors, can be declared unenforceable *(actio pauliana).*

Moreover, as a general rule of law, Article 1167 of the Belgian Civil Code allows a creditor to have a court nullify any contract between its debtor and a third party which was made with the fraudulent intent to take assets out of the creditors reach.

Pursuant to the Insolvency Regulation and thus within an EU context, Belgian rules relating to the voidness, voidability or unenforceability of legal acts detrimental to all the creditors shall, however, not apply where the person who benefited from such act provides proof that:

(i) the said act is subject to the law of another EU member state (other than Denmark); and

(ii) that law does not allow any means of challenging that act in the relevant case.

Other Jurisdictions

The laws of the other jurisdictions in which guarantors may be organized may also limit the ability of such guarantors to guarantee debt of a parent company. These limitations arise under various provisions or principles of corporate law which include provisions requiring a subsidiary guarantor to receive adequate corporate benefit from the financing, rules governing preservation of share capital, thin capitalization and fraudulent transfer principles. In certain of these jurisdictions, the guarantees will contain language limiting the amount of debt guaranteed so that the applicable local law restrictions will not be violated. Accordingly, if you were to enforce the guarantees in such jurisdictions, your claims may be limited. Furthermore, although we believe that the guarantees of such guarantors are enforceable (subject to local law restrictions), a third party creditor may challenge these guarantees and prevail in court. We can provide no assurance that the guarantees will be enforceable.

You should not expect the Co-Issuer to participate in servicing the interest and principal obligations under the exchange notes.

The Co-Issuer is our wholly-owned subsidiary that was formed solely for the purpose of serving as a co-issuer and guarantor of our debt securities. The Co-Issuer was capitalized only with a minimal amount of common equity and did not receive any proceeds from the issuance of the outstanding notes. The Co-Issuer does not have (and is not permitted to have) any assets (other than its equity capital), operations, revenues or debt (other than as a Co-Issuer of the notes, a guarantor of the 2017 Notes and a co-obligor or guarantor of other indebtedness permitted to be incurred by the terms of the indenture). As a result, noteholders should not expect the Co-Issuer to participate in servicing the interest and principal obligations under the exchange notes.

There is currently no market for the exchange notes. We cannot assure you that an active trading market will develop for the exchange notes.

The exchange notes offered hereby are new securities for which there presently is no established market. Although the initial purchasers have informed us that they currently intend to make a market in the exchange notes, the initial purchasers are not obligated to do so and any such market making may be discontinued at any time without notice. In addition, such market making activity may be limited during the pendency of the exchange offer or the effectiveness of a shelf registration statement in lieu thereof. Accordingly, we cannot give you any assurance as to the development or liquidity of any market for the exchange notes. We do not intend to apply for listing of the exchange notes, on any other securities exchange.

Even if a trading market for the exchange notes does develop, you may not be able to sell your notes at a particular time, if at all, or you may not be able to obtain the price you desire for your exchange notes. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial fluctuations in the price of securities. If the exchange notes are traded after their initial issuance, they may trade at a discount from their initial offering price depending on many factors, including prevailing interest rates, the market for similar securities, our credit rating, the interest of securities dealers in making a market for the notes, the price of any other securities we issue, our performance, prospects, operating results and financial condition, as well as of other companies in our industry.

The liquidity of, and trading market for the exchange notes also may be adversely affected by general declines in the market or by declines in the market for similar securities. Such declines may adversely affect such liquidity and trading markets independent of our financial performance and prospects.

Your failure to tender outstanding notes in the exchange offer may affect their marketability.

If outstanding notes are tendered for exchange and accepted in the exchange offer, the trading market, if any, for the untendered and tendered but unaccepted outstanding notes will be adversely affected. Your failure to participate in the exchange offer will substantially limit, and may effectively eliminate, opportunities to sell your outstanding notes in the future. We issued the outstanding notes in a private placement exempt from the registration requirements of the Securities Act.

Accordingly, you may not offer, sell or otherwise transfer your outstanding notes except in compliance with the registration requirements of the Securities Act and any other applicable securities laws, or pursuant to an exemption from the securities laws, or in a transaction not subject to the securities laws. If you do not exchange your outstanding notes for exchange notes in the exchange offer, or if you do not properly tender your outstanding notes in the exchange offer, your outstanding notes will continue to be subject to these transfer restrictions after the completion of the exchange offer. In addition, after the completion of the exchange offer, you will no longer be able to obligate us to register the outstanding notes under the Securities Act.

Risks Associated with the Shipping Industry and Our Operations

The cyclical nature of the international drybulk shipping industry may lead to decreases in charter rates and lower vessel values, which could adversely affect our results of operations and financial condition.

The shipping business, including the dry cargo market, is cyclical in varying degrees, experiencing severe fluctuations in charter rates, profitability and, consequently, vessel values. For example, during the period from January 1, 2005 to December 31, 2010, the Baltic Exchange s Panamax time charter average daily rates experienced a low of $3,537 and a high of $94,977. Additionally, during the period from January 1, 2009 to June 7, 2011, the Baltic Exchange s Capesize time charter average daily rates experienced a low of $4,567 and a high of $93,197 and the Baltic Exchange Dry Index experienced a low of 772 points and a high of 4,661 points. Navios Holdings anticipates that the future demand for its drybulk carriers and drybulk charter rates will be dependent upon demand for imported commodities, economic growth in the emerging markets, including the Asia Pacific region, India, Brazil and Russia, and in the rest of the world, seasonal and regional changes in demand and changes to the capacity of the world fleet. Recent adverse economic, political, social or other developments have decreased demand and prospects for growth in the shipping industry and thereby could reduce revenue significantly. A decline in demand for commodities transported in drybulk carriers or an increase in supply of drybulk vessels could cause a further decline in charter rates, which could materially adversely affect our results of operations and financial condition. If we sell a vessel at a time when the market value of our vessels has fallen, the sale may be at less than the vessel s carrying amount, resulting in a loss.

The demand for vessels has generally been influenced by, among other factors:

- global and regional economic conditions;
- developments in international trade;
- changes in seaborne and other transportation patterns, such as port congestion and canal closures;
- weather and crop yields;
- armed conflicts, acts of piracy and terrorist activities;
- political developments; and
- embargoes and strikes.

The supply of vessel capacity has generally been influenced by, among other factors:

- the number of vessels that are in or out of service;
- the scrapping rate of older vessels;
- port and canal traffic and congestion;
- the number of newbuilding deliveries; and
- vessel casualties.

Our international activities increase the compliance risks associated with economic and trade sanctions imposed by the United States, the European Union and other jurisdictions.

Our international operations could expose us to trade and economic sanctions or other restrictions imposed by the United States or other governments or organizations, including the United Nations, the European Union and its member countries. Under economic and trading sanctions laws, governments may seek to impose modifications to business practices, and modifications to compliance programs, which may increase compliance costs, and may subject us to fines, penalties and other sanctions.

In recent months, the scope of sanctions imposed against the government of Iran and persons engaging in certain activities or doing certain business with and relating to Iran has been expanded by a number of jurisdictions, including the United States, the European Union and Canada. In particular, the United States has enacted new legislation which imposed new sanctions that specifically restrict shipping refined petroleum into Iran (the tankers of our affiliate, Navios Maritime Acquisition Corporation have called on ports in Iran but do not engage in the activities specifically identified by these sanctions). There has also been an increased focus on economic and trade sanctions enforcement that has led recently to a significant number of penalties being imposed against shipping companies.

We are monitoring developments in the United States, the European Union and other jurisdictions that maintain sanctions programs, including developments in implementation and enforcement of such sanctions programs. Expansion of sanctions programs, embargoes and other restrictions in the future (including additional designations of countries subject to sanctions), or modifications in how existing sanctions are interpreted or enforced, could prevent the tankers of our affiliate from calling on ports in sanctioned countries or could limit their cargoes. If any of the risks described above materialize, it could have a material adverse impact on our business and results of operations.

The economic slowdown in the Asia Pacific region has markedly reduced demand for shipping services and has decreased shipping rates, which could adversely affect our results of operations and financial condition.

Currently, China, India, Japan, other Pacific Asian economies and India are the main driving force behind the development in seaborne drybulk trades and the demand for drybulk carriers. Reduced demand from such economies has driven decreased rates and vessel values. A further negative change in economic conditions in any Asian Pacific country, but particularly in China or Japan, as well as India, may have a material adverse effect on our business, financial condition and results of operations, as well as our future prospects, by reducing demand and the resultant charter rates. In particular, in recent years, China has been one of the world s fastest growing economies in terms of gross domestic product. Furthermore, the economic uncertainty in the United States, the European Union, and other countries may deepen the economic slowdown in China, among others.

Our financial condition and results of operations, as well as our future prospects, would likely be adversely affected by an economic downturn in any of these countries as such downturn would likely translate into reduced demand for shipping services and lower shipping rates industry-wide. As a result, our operating results would be further materially affected.

Disruptions in world financial markets and the resulting governmental action in the United States and in other parts of the world could have a material adverse impact on our ability to obtain financing required to acquire vessels or new businesses. Furthermore, such a disruption would adversely affect our results of operations, financial condition and cash flows.

The United States and other parts of the world are exhibiting volatile economic trends and were recently in a recession. Despite signs of recovery, the outlook for the world economy remains uncertain. For example, the credit markets worldwide and in the U.S. have experienced significant contraction, de-leveraging and reduced liquidity, and the U.S. federal government, state governments and foreign governments have implemented and are considering a broad variety of governmental action and/or new regulation of the financial markets. Securities and futures markets and the credit markets are subject to comprehensive statutes, regulations and other requirements. The Securities and Exchange Commission (the SEC), other regulators, self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies, and may effect changes in law or interpretations of existing laws. Recently, a number of financial institutions have experienced serious financial difficulties and, in some cases, have entered bankruptcy proceedings or are in regulatory enforcement actions. The uncertainty surrounding the future of the credit markets in the U.S. and the rest of the world has resulted in reduced access to credit worldwide. Due to the fact that we would possibly cover all or a portion of the cost of any new vessel acquisition with debt financing, such uncertainty, combined with restrictions imposed by our current debt, could hamper our ability to finance vessels or new business acquisitions.

The March 2011 natural disaster in Japan and its currently uncertain resultant effects, including nuclear uncertainty may also have a significant impact on the regional and world economies. With the third largest economy in the world, an extended period of recovery for Japan and its economy could decrease oil imports to that country. Our financial condition and results of operations, as well as our future prospects, would likely be adversely affected by an economic downturn in any of these countries as such downturn would likely translate into reduced demand for shipping services and lower shipping rates industry-wide. As a result, our operating results would be further materially adversely affected. We could face risks attendant to changes in economic environments, changes in interest rates, and instability in certain securities markets, among other factors. Major market disruptions and the uncertainty in market conditions and the regulatory climate in the U.S. and worldwide could adversely affect our business or impair our ability to borrow amounts under any future financial arrangements. The current market conditions may last longer than we anticipate. These recent and developing economic and governmental factors could have a material adverse effect on our results of operations, financial condition or cash flows.

When our contracts expire, we may not be able to successfully replace them.

The process for concluding contracts and longer term time charters generally involves a lengthy and intensive screening and vetting process and the submission of competitive bids. In addition to the quality and suitability of the vessel, medium and longer term shipping contracts tend to be awarded based upon a variety of other factors relating to the vessel operator, including:

- environmental, health and safety record;
- compliance with regulatory industry standards;
- reputation for customer service, technical and operating expertise;
- shipping experience and quality of ship operations, including cost-effectiveness;
- quality, experience and technical capability of crews;
- the ability to finance vessels at competitive rates and overall financial stability;
- relationships with shipyards and the ability to obtain suitable berths;
- construction management experience, including the ability to procure on-time delivery of new vessels according to customer specifications;
- willingness to accept operational risks pursuant to the charter, such as allowing termination of the charter for force majeure events; and
- competitiveness of the bid in terms of overall price.

As a result of these factors, when our contracts including our long-term charters expire, we cannot assure you that we will be able to replace them promptly or at all or at rates sufficient to allow us to operate our business profitably, to meet our obligations, including payment of debt service to our lenders, or to pay dividends. Our ability to renew the charter contracts on our vessels on the expiration or termination of our current charters, or, on vessels that we may acquire in the future, the charter rates payable under any replacement charter contracts, will depend upon, among other things, economic conditions in the sectors in which our vessels operate at that time and the financial sector, changes in the supply and demand for vessel capacity and changes in the supply and demand for the transportation of commodities as described above.

However, if we are successful in employing our vessels under longer-term time charters, our vessels will not be available for trading in the spot market during an upturn in the market cycle, when spot trading may be more profitable. If we cannot successfully employ our vessels in profitable charter contracts, our results of operations and operating cash flow could be materially adversely affected.

We depend upon significant customers for part of our revenues. The loss of one or more of these customers could adversely affect our financial performance.

We have derived a significant part of our revenue from a number of charterers. During the fiscal year ended December 31, 2010 and the three-month period ended March 31, 2011, none of our customers accounted for more than 10% of the Company s revenue. During the fiscal year ended December 31, 2009, we derived approximately

13.2% of our gross revenues from one charterer.

If one or more of our customers is unable to perform under one or more charters with us and we are not able to find a replacement charter, or if a customer exercises certain rights to terminate the charter, we could suffer a loss of revenues that could materially adversely affect our business, financial condition and results of operations.

We could lose a customer or the benefits of a time charter if, among other things:

- the customer fails to make charter payments because of its financial inability, disagreements with us or otherwise;

the customer terminates the charter because we fail to deliver the vessel within a fixed period of time, the vessel is lost or damaged beyond repair, there are serious deficiencies in the vessel or prolonged periods of off-hire, default under the charter; or

the customer terminates the charter because the vessel has been subject to seizure for more than a specified number of days.

We may employ vessels on the spot market and thus expose ourselves to risk of losses based on short-term decreases in shipping rates.

We periodically employ some of our vessels on a spot basis. The spot charter market is highly competitive and freight rates within this market are highly volatile, while longer-term charter contracts provide income at pre-determined rates over more extended periods of time. We cannot assure you that we will be successful in keeping our vessels fully employed in these short-term markets, or that future spot rates will be sufficient to enable such vessels to be operated profitably. A significant decrease in spot market rates or our inability to fully employ our vessels by taking advantage of the spot market would result in a reduction of the incremental revenue received from spot chartering and adversely affect results of operations, including our profitability and cash flows, with the result that our ability to pay debt service and dividends could be impaired.

We are subject to certain credit risks with respect to our counterparties on contracts, and the failure of such counterparties to meet their obligations could cause us to suffer losses on such contracts and thereby decrease revenues.

We charter-out our vessels to other parties, who pay us a daily rate of hire. We also enter into contracts of affreightment, or COAs pursuant to which we agree to carry cargoes, typically for industrial customers, who export or import drybulk cargoes. Additionally, we enter into Forward Freight Agreements, or (FFAs), parts of which are traded over-the-counter. We also enter into spot market voyage contracts, where we are paid a rate per ton to carry a specified cargo on a specified route. The FFAs and these contracts and arrangements subject us to counterparty credit risks at various levels. If the counterparties fail to meet their obligations, we could suffer losses on such contracts which could materially adversely affect our financial condition and results of operations. In addition, after a charterer defaults on a time charter, we would have to enter into charters at lower rates. It is also possible that we would be unable to secure a charter at all. If we re-charter the vessel at lower rates or not at all, our financial condition and results of operations could be materially adversely affected.

We have insured our charter-out contracts through a AA+ rated governmental agency of a European Union member state, which provides that if the charterer goes into payment default, the insurer will reimburse us for the charter payments under the terms of the policy (subject to applicable deductibles and other customary limitations for such insurance).

In January 2011, Korea Line Corporation (KLC) filed for receivership, which is a reorganization under South Korean bankruptcy law. Navios Holdings has reviewed the matter in concert with the credit default insurers, as five vessels of its core fleet are chartered out to KLC. The contracts for these vessels have been temporarily suspended and the vessels have been rechartered to third paties for variable charter periods. Upon completion of the suspension period, the contracts with the original charterers will resume at amended terms. The obligations of the insurer are reduced by an amount equal to the mitigation charter hire revenues earned under the contracts with third parties and/or the original charterers or the applicable deductibles for any idle periods. The Company has filed claims for all unpaid amounts by KLC in respect of the employment of the five vessels in the KLC corporate rehabilitation proceedings. The disposition of these claims will be determined by the Korean Court at a future date.

Trading and complementary hedging activities in freight, tonnage and FFAs subject us to trading risks, and we may suffer trading losses which could adversely affect our financial condition and results of operations.

Due to drybulk shipping market volatility, success in this shipping industry requires constant adjustment of the balance between chartering-out vessels for long periods of time and trading them on a spot basis. A long-term contract to charter a vessel might lock us into a profitable or unprofitable situation depending on the direction of freight rates over the term of the contract. We seek to manage and mitigate that risk through trading and complementary hedging activities in freight, tonnage and FFAs. We are exposed to market risk in relation to our FFAs and could suffer substantial losses from these activities in the event that our expectations are incorrect. We trade FFAs with an objective of both economically hedging the risk on the fleet, specific vessels or freight commitments and taking advantage of short-term fluctuations in market prices. There can be no assurance that we will be able at all times to successfully protect ourselves from volatility in the shipping market. We may not successfully mitigate our risks, leaving us exposed to unprofitable contracts, and may suffer trading losses resulting from these hedging activities.

In our hedging and trading activities, we focus on short-term trading opportunities in which there are adequate liquidity in order to limit the risk we are taking. There can be no assurance we will be successful in limiting our risk, that significant price spikes will not result in significant losses, even on short-term trades, that liquidity will be available for our positions, or that all trades will be done within our risk management policies. Any such risk could be significant. In addition, the performance of our trading activities can significantly increase the variability of our operating performance in any given period and could materially adversely affect our financial condition. The FFA market has experienced significant volatility in the past few years and, accordingly, recognition of the changes in the fair value of FFAs has caused, and could in the future cause significant volatility in earnings.

We are subject to certain operating risks, including vessel breakdowns or accidents, that could result in a loss of revenue from the affected vessels and which in turn could have an adverse effect on our results of operations or financial condition.

Our exposure to operating risks of vessel breakdown and accidents mainly arises in the context of our owned vessels. The rest of our core fleet is chartered-in under time charters and, as a result, most operating risks relating to these time chartered vessels remain with their owners. If we pay hire on a chartered-in vessel at a lower rate than the rate of hire it receives from a sub-charterer to whom we have chartered out the vessel, a breakdown or loss of the vessel due to an operating risk suffered by the owner will, in all likelihood, result in our loss of the positive spread between the two rates of hire. Although we maintain insurance policies (subject to deductibles and exclusions) to cover us against the loss of such spread through the sinking or other loss of a chartered-in vessel, we cannot assure you that we will be covered under all circumstances or that such policies will be available in the future on commercially reasonable terms. Breakdowns or accidents involving our vessels and losses relating to chartered vessels which are not covered by insurance would result in a loss of revenue from the affected vessels adversely affecting our financial condition and results of operations.

We are subject to various laws, regulations and conventions, including environmental and safety laws that could require significant expenditures both to maintain compliance with such laws and to pay for any uninsured environmental liabilities including any resulting from a spill or other environmental incident.

The shipping business and vessel operation are materially affected by government regulation in the form of international conventions, national, state and local laws, and regulations in force in the jurisdictions in which vessels operate, as well as in the country or countries of their registration. Governmental regulations, safety or other equipment standards, as well as compliance with standards imposed by maritime self-regulatory organizations and customer requirements or competition, may require us to make capital and other expenditures. Because such conventions, laws and regulations are often revised, we cannot predict the ultimate cost of complying with such conventions, laws and regulations, or the impact thereof on the fair market price or useful life of our vessels. In order to satisfy any such requirements, we may be required to take any of our vessels out of service for extended periods of time, with corresponding losses of revenues. In the future, market conditions may not justify these expenditures or enable us to operate our vessels, particularly older vessels, profitably during the remainder of their economic lives. This could lead to significant asset write downs. In addition, violations of environmental and safety regulations can result in substantial penalties and, in certain instances, seizure or detention of our vessels.

Additional conventions, laws and regulations may be adopted that could limit our ability to do business, require capital expenditures or otherwise increase our cost of doing business, which may materially adversely affect our operations, as well as the shipping industry generally. For example, in various jurisdictions legislation has been enacted, or is under consideration, that would impose more stringent requirements on air pollution and water discharges from our vessels. For example, the International Maritime Organization (IMO) periodically proposes and adopts amendments to revise the International Convention for the Prevention of Pollution from Ships (MARPOL), such as the recent revision to Annex VI. The revised Annex VI implements a phased reduction of the sulfur content of fuel beginning in 2010 and allows for stricter sulfur limits in designated emission control areas (ECAs). Thus far, ECAs have been formally adopted for the Baltic Sea, the North Sea and the coasts of North America, but more ECAs, including the proposed ECA for the U.S. Caribbean, could be added. In addition, the IMO, the U.S. and states within the U.S. have proposed or implemented requirements relating to the management of ballast water to prevent the harmful effects of foreign invasive species.

The operation of vessels is also affected by the requirements set forth in the International Safety Management (ISM) Code. The ISM Code requires shipowners and bareboat charterers to develop and maintain an extensive Safety Management System that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe vessel operation and describing procedures for dealing with emergencies. The failure of a shipowner or bareboat charterer to comply with the ISM Code may subject such party to increased liability, may decrease available insurance coverage for the affected vessels, and may result in a denial of access to, or detention in, certain ports.

We operate a fleet of product and chemical tankers that are subject to national and international laws governing pollution from such vessels. Several international conventions impose and limit pollution liability from vessels. An owner of a tanker vessel carrying a cargo of persistent oil as defined by the International Convention for Civil Liability for Oil Pollution Damage (the CLC) is subject under the convention to strict liability for any pollution damage caused in a contracting state by an escape or discharge from cargo or bunker tanks. This liability is subject to a financial limit calculated by reference to the tonnage of the ship, and the right to limit liability may be lost if the spill is caused by the shipowner s intentional or reckless conduct. Liability may also be incurred under the CLC for a bunker spill from the vessel even when she is not carrying such cargo, but is in ballast.

When a tanker is carrying clean oil products that do not constitute persistent oil that would be covered under the CLC, liability for any pollution damage will generally fall outside the CLC and will depend on other international conventions or domestic laws in the jurisdiction where the spillage occurs. The same principle applies to any pollution from the vessel in a jurisdiction which is not a party to the CLC. The CLC applies in over 100 jurisdictions around the world, but it does not apply in the United States, where the corresponding liability laws such as the Oil Pollution Act of 1990 (The OPA) discussed below, are particularly stringent.

For vessel operations not covered by the CLC, including those operated under our fleet, at present, international liability for oil pollution is governed by the International Convention on Civil Liability for Bunker Oil Pollution Damage (the Bunker Convention). In 2001, the IMO adopted the Bunker Convention, which imposes strict liability on shipowners for pollution damage and response costs incurred in contracting states caused by discharges, or threatened discharges, of bunker oil from all classes of ships not covered by the CLC. The Bunker Convention also requires registered owners of ships over a certain size to maintain insurance to cover their liability for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime, including liability limits calculated in accordance with the Convention on Limitation of Liability for Maritime Claims 1976, as amended (the 1976 Convention), discussed in more detail in the following paragraph. The Bunker Convention became effective in contracting states on November 21, 2008 and as of May 5, 2011 was in effect in 58 states. In non-contracting states, liability for such bunker oil pollution typically is determined by the national or other domestic laws in the jurisdiction where the spillage occurs.

The CLC and Bunker Convention also provide vessel owners a right to limit their liability. The CLC includes its own liability limits and the Bunker Convention incorporates the 1976 Convention referenced above. The 1976 Convention is the most widely applicable international regime limiting maritime pollution liability. Rights to limit liability under the 1976 Convention are forfeited where a spill is caused by a shipowner s intentional or reckless conduct. Certain jurisdictions have ratified the IMO s Protocol of 1996 to the 1976 Convention, referred to herein as the Protocol of 1996. The Protocol of 1996 provides for substantially higher liability limits in those jurisdictions than the limits set forth in the 1976 Convention. Finally, some jurisdictions, such as the United States, are not a party to either the 1976 Convention or the Protocol of 1996, and, therefore, a shipowner s rights to limit liability for maritime pollution in such jurisdictions may be uncertain.

Table of Contents

Environmental legislation in the United States merits particular mention as it is in many respects more onerous than international laws, representing a high-water mark of regulation with which ship owners and operators must comply, and of liability likely to be incurred in the event of non-compliance or an incident causing pollution. Such regulation may become even stricter if laws are changed as a result of the May 2010 Deepwater Horizon oil spill in the Gulf of Mexico. In the United States, the OPA establishes an extensive regulatory and liability regime for the protection and cleanup of the environment from cargo and bunker oil spills from vessels, including tankers. The OPA covers all owners and operators whose vessels trade in the United States, its territories and possessions or whose vessels operate in United States waters, which includes the United States territorial sea and its 200 nautical mile exclusive economic zone. Under the OPA, vessel owners, operators and bareboat charterers are responsible parties and are jointly, severally and strictly liable (unless the spill results solely from the act or omission of a third party, an act of God or an act of war) for all containment and clean-up costs and other damages arising from discharges or substantial threats of discharges, of oil from their vessels. In response to the 2010 Deepwater Horizon oil incident in the Gulf of Mexico, the U.S. House of Representatives passed and the U.S. Senate considered but did not pass a bill to strengthen certain requirements of the OPA; similar legislation may be introduced in the 112th Congress.

In addition to potential liability under the federal OPA, vessel owners may in some instances incur liability on an even more stringent basis under state law in the particular state where the spillage occurred. For example, California regulations prohibit the discharge of oil, require an oil contingency plan be filed with the state, require that the ship owner contract with an oil response organization and require a valid certificate of financial responsibility, all prior to the vessel entering state waters.

In the last decade, the EU has become increasingly active in the field of regulation of maritime safety and protection of the environment. In some areas of regulation the EU has introduced new laws without attempting to procure a corresponding amendment to international law. Notably, the EU adopted in 2005 a directive, as amended in 2009, on ship-source pollution, imposing criminal sanctions for pollution not only where pollution is caused by intent or recklessness (which would be an offence under MARPOL), but also where it is caused by serious negligence. The concept of serious negligence may be interpreted in practice to be little more than ordinary negligence. The directive could therefore result in criminal liability being incurred in circumstances where it would not be incurred under international law. Criminal liability for a pollution incident could not only result in us incurring substantial penalties or fines, but may also, in some jurisdictions, facilitate civil liability claims for greater compensation than would otherwise have been payable.

We maintain insurance coverage for each owned vessel in our fleet against pollution liability risks in the amount of $1.0 billion in the aggregate for any one event. The insured risks include penalties and fines as well as civil liabilities and expenses resulting from accidental pollution. However, this insurance coverage is subject to exclusions, deductibles and other terms and conditions. If any liabilities or expenses fall within an exclusion from coverage, or if damages from a catastrophic incident exceed the aggregate liability of $1.0 billion for any one event, our cash flow, profitability and financial position would be adversely impacted.

Climate change and government laws and regulations related to climate change could negatively impact our financial condition.

Regarding climate change in particular, we are and will be, directly and indirectly, subject to the effects of climate change and may, directly or indirectly, be affected by government laws and regulations related to climate change. A number of countries have adopted or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emissions. In the U.S., the United States Environmental Protection Agency (U.S. EPA) has declared greenhouse gases to be dangerous pollutants and has issued greenhouse gas reporting requirements for emissions sources in certain industries (which do not include the shipping industry). The U.S. EPA is also considering petitions to regulate greenhouse gas emissions from marine vessels.

The IMO has announced its intention to develop limits on greenhouse gases from international shipping and is working on technical and operational measures to reduce emissions. In addition, while the emissions of greenhouse gases from international shipping are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which requires adopting countries to implement national programs to reduce

Table of Contents

greenhouse gas emissions, such standards are currently under consideration by the IMO. The European Union announced in April 2007 that it planned to expand the European Union emissions trading scheme by adding vessels, and a proposal from the European Commission is expected if no global regime for reduction of seaborne emissions has been agreed by the end of 2011. We cannot predict with any degree of certainty what effect, if any, possible climate change and government laws and regulations related to climate change will have on our operations, whether directly or indirectly. While we believe that it is difficult to assess the timing and effect of climate change and pending legislation and regulation related to climate change on our business, we believe that climate change, including the possible increase in severe weather events resulting from climate change, and government laws and regulations related to climate change may affect, directly or indirectly, (i) the cost of the vessels we may acquire in the future, (ii) our ability to continue to operate as we have in the past, (iii) the cost of operating our vessels, and (iv) insurance premiums, deductibles and the availability of coverage. As a result, our financial condition could be negatively impacted by significant climate change and related governmental regulation, and that impact could be material.

We are subject to vessel security regulations and will incur costs to comply with recently adopted regulations and may be subject to costs to comply with similar regulations which may be adopted in the future in response to terrorism.

Since the terrorist attacks of September 11, 2001, there have been a variety of initiatives intended to enhance vessel security. On November 25, 2002, the Maritime Transportation Security Act of 2002, or MTSA, came into effect. To implement certain portions of the MTSA, in July 2003, the U.S. Coast Guard issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States. Similarly, in December 2002, amendments to the International Convention for the Safety of Life at Sea, or SOLAS, created a new chapter of the convention dealing specifically with maritime security. The new chapter went into effect in July 2004, and imposes various detailed security obligations on vessels and port authorities, most of which are contained in the newly created ISPS Code. Among the various requirements are:

- on-board installation of automatic information systems, or AIS, to enhance vessel-to-vessel and vessel-to-shore communications;

- on-board installation of ship security alert systems;

- the development of vessel security plans; and

- compliance with flag state security certification requirements.

Furthermore, additional security measures could be required in the future which could have a significant financial impact on us. The U.S. Coast Guard regulations, intended to be aligned with international maritime security standards, exempt non-U.S. vessels from MTSA vessel security measures, provided such vessels had on board, by July 1, 2004, a valid International Ship Security Certificate, or ISSC, that attests to the vessel s compliance with SOLAS security requirements and the ISPS Code. We have implemented and will continue implement the various security measures addressed by the MTSA, SOLAS and the ISPS Code and take measures for the vessels to attain compliance with all applicable security requirements within the prescribed time periods. Although management does not believe these additional requirements will have a material financial impact on our operations, there can be no assurance that there will not be an interruption in operations to bring vessels into compliance with the applicable requirements and any such interruption could cause a decrease in charter revenues. The cost of vessel security measures has also been affected by dramatic escalation in recent years in the frequency and seriousness of acts of piracy against ships, notably off the coast of Somalia, including the Gulf of Aden and Arabian Sea area which could have a significant financial impact on us.

The cost of vessel security measures has also been affected by dramatic escalation in recent years in the frequency and seriousness of acts of piracy against ships, notably off the coast of Somalia, including the Gulf of Aden and Arabian Sea area. Attacks of this kind have commonly resulted in vessels and their crews being detained for several months, and being released only on payment of large ransoms. Substantial loss of revenue and other costs may be incurred as a result of such detention. So far as practicable we insure against these losses but the risk remains of uninsured losses which could significantly affect our business. Costs are incurred in taking additional security

Table of Contents

measures in accordance with Best Management Practices to Deter Piracy, notably those contained in the BMP3 industry standard. A number of flag states have signed the 2009 New York Declaration, which expresses commitment to Best Management Practices in relation to piracy and calls for compliance with them as an essential part of compliance with the ISPS Code.

Acts of piracy on ocean-going vessels have increased recently in frequency and magnitude, which could adversely affect our business.

The shipping industry has historically been affected by acts of piracy in regions such as the South China Sea and the Gulf of Aden. In 2009 and continuing through 2011, acts of piracy saw a steep rise, particularly off the coast of Somalia in the Gulf of Aden. There are several examples of the increase in piracy such as in November 2008 when the M/V Sirius Star, a crude oil tanker which was not affiliated with us, was captured by pirates in the Indian Ocean while carrying crude oil estimated to be worth approximately $100 million. More recently, in April 2010, the M/V Samho Dream, another crude oil tanker not affiliated with us, was captured off the Somali coast while carrying approximately $170 million in crude oil. In December 2009, the Navios Apollon, one of Navios Maritime Partners L.P. (Navios Partners) vessels, was seized by pirates 800 miles off the coast of Somalia while transporting fertilizer from Tampa, Florida to Rozi, India and was released on February 27, 2010. If these piracy attacks result in regions (in which our vessels are deployed) being characterized by insurers as war risk zones or Joint War Committee (JWC) war and strikes listed areas, premiums payable for such insurance coverage could increase significantly and such insurance coverage may be more difficult to obtain. Crew costs, including those due to employing onboard security guards, could increase in such circumstances. In addition, while we believe the charterer remains liable for charter payments when a vessel is seized by pirates, the charterer may dispute this and withhold charter hire until the vessel is released. A charterer may also claim that a vessel seized by pirates was not on-hire for a certain number of days and it is therefore entitled to cancel the charter party, a claim that we would dispute. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on us. In addition, detention hijacking as a result of an act of piracy against our vessels, or an increase in cost, or unavailability of insurance for our vessels, could have a material adverse impact on our business, financial condition, results of operations and cash flows. Acts of piracy on ocean-going vessels have recently increased in frequency, which could adversely affect our business and operations.

Our operations expose us to global political risks, such as wars and political instability that may interfere with the operation of our vessels causing a decrease in revenues from such vessels.

We are an international company and conduct our operations primarily outside the United States. Changing economic, political and governmental conditions in the countries where we are engaged in business or where our vessels are registered will affect us. In the past, political conflicts, particularly in the Persian Gulf, resulted in attacks on vessels, mining of waterways and other efforts to disrupt shipping in the area. For example, in October 2002, the vessel Limburg, which was not affiliated with us, was attacked by terrorists in Yemen. Acts of terrorism and piracy have also affected vessels trading in regions such as the South China Sea. Following the terrorist attack in New York City on September 11, 2001, and the military response of the United States, the likelihood of future acts of terrorism may increase, and our vessels may face higher risks of being attacked in the Middle East region and interruption of operations causing a decrease in revenues. In addition, continuing conflicts and recent developments in North Africa and the Middle East and future hostilities or other political instability in regions where our vessels trade could affect our trade patterns and adversely affect our operations by causing delays in shipping on certain routes or making shipping impossible on such routes, thereby causing a decrease in revenues.

In addition, a government could requisition title or seize our vessels during a war or national emergency. Requisition of title occurs when a government takes a vessel and becomes the owner. A government could also requisition our vessels for hire, which would result in the government s taking control of a vessel and effectively becoming the charterer at a dictated charter rate. Requisition of one or more of our vessels would have a substantial negative effect on us as we would potentially lose all revenues and earnings from the requisitioned vessels and permanently lose the vessels. Such losses might be partially offset if the requisitioning government compensated us for the requisition.

A failure to pass inspection by classification societies could result in one or more vessels being unemployable unless and until they pass inspection, resulting in a loss of revenues from such vessels for that period and a corresponding decrease in operating cash flows.

The hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and with SOLAS. Our owned fleet is currently enrolled with Nippon Kaiji Kiokai, Bureau Veritas, Lloyd s Register and American Bureau of Shipping.

A vessel must undergo an annual survey, an intermediate survey and a special survey. In lieu of a special survey, a vessel s machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period.

Our vessels are on special survey cycles for hull inspection and continuous survey cycles for machinery inspection. Every vessel is also required to be drydocked every two to three years for inspection of the underwater parts of such vessel.

If any vessel fails any annual survey, intermediate survey or special survey, the vessel may be unable to trade between ports and, therefore, would be unemployable, potentially causing a negative impact on our revenues due to the loss of revenues from such vessel until she is able to trade again.

Rising crew costs may adversely affect our profits.

Crew costs are a significant expense for us. Recently, the limited supply of and increased demand for well-qualified crew, due to the increase in the size of the global shipping fleet, has created upward pressure on crewing costs, which we generally bear under our period, time and spot charters. Increases in crew costs may adversely affect our profitability.

The shipping industry has inherent operational risks that may not be adequately covered by our insurance.

The operation of ocean-going vessels in international trade is inherently risky. Although we carry insurance for our fleet covering risks commonly insured against by vessel owners and operators, such as hull and machinery insurance, war risks insurance and protection and indemnity insurance (which include environmental damage and pollution insurance), all risks may not be adequately insured against, and any particular claim may not be paid. We do not currently maintain off-hire insurance, which would cover the loss of revenue during extended vessel off-hire periods, such as those that occur during an unscheduled drydocking due to damage to the vessel from accidents. Accordingly, any extended vessel off-hire, due to an accident or otherwise, could have a material adverse effect on our business. Any claims covered by insurance would be subject to deductibles, and since it is possible that a large number of claims may be brought, the aggregate amount of these deductibles could be material.

We may be unable to procure adequate insurance coverage at commercially reasonable rates in the future. For example, more stringent environmental regulations have led in the past to increased costs for, and in the future may result in the lack of availability of, insurance against risks of environmental damage or pollution. A catastrophic oil spill or marine disaster could exceed our insurance coverage, which could harm our business, financial condition and operating results. Changes in the insurance markets attributable to terrorist attacks may also make certain types of insurance more difficult for us to obtain. In addition, the insurance that may be available to us in the future may be significantly more expensive than our existing coverage.

Even if our insurance coverage is adequate to cover our losses, we may not be able to timely obtain a replacement vessel in the event of a loss. Furthermore, in the future, we may not be able to obtain adequate insurance coverage at reasonable rates for our fleet. Our insurance policies also contain deductibles, limitations and exclusions which can result in significant increased overall costs to us.

Table of Contents

Because we obtain some of our insurance through protection and indemnity associations, we may also be subject to calls, or premiums, in amounts based not only on our own claim records, but also on the claim records of all other members of the protection and indemnity associations.

We may be subject to calls, or premiums, in amounts based not only on our claim records but also on the claim records of all other members of the protection and indemnity associations through which we receive insurance coverage for tort liability, including pollution-related liability. Our payment of these calls could result in significant expenses to us, which could have a material adverse effect on our business, results of operations and financial condition and our ability to pay interest on, or the principal of, the senior notes.

Maritime claimants could arrest our vessels, which could interrupt our cash flow.

Crew members, suppliers of goods and services to a vessel, shippers of cargo, and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts, claims or damages against such vessel. In many jurisdictions, a maritime lien holder may enforce its lien by arresting a vessel through foreclosure proceedings. The arrest or attachment of one or more of our vessels could interrupt our cash flow and require us to pay large sums of funds to have the arrest lifted. We are not currently aware of the existence of any such maritime lien on our vessels.

In addition, in some jurisdictions, such as South Africa, under the sister ship theory of liability, a claimant may arrest both the vessel which is subject to the claimant s maritime lien and any associated vessel, which is any vessel owned or controlled by the same owner. Claimants could try to assert sister ship liability against one vessel in our fleet for claims relating to another ship in the fleet.

The risks and costs associated with vessels increase as the vessels age.

The costs to operate and maintain a vessel in operation increase with the age of the vessel. The average age of the vessels in our fleet is 4.9 years, and most drybulk vessels have an expected life of approximately 25 years. In some instances, charterers prefer newer vessels that are more fuel efficient than older vessels. Cargo insurance rates also increase with the age of a vessel, making older vessels less desirable to charterers as well. Governmental regulations, safety or other equipment standards related to the age of the vessels may require expenditures for alterations or the addition of new equipment to our vessels and may restrict the type of activities in which these vessels may engage. We cannot assure you that, as our vessels age, market conditions will justify those expenditures or enable us to operate our vessels profitably during the remainder of their useful lives. If we sell vessels, we may have to sell them at a loss, and if charterers no longer charter-out vessels due to their age, our earnings could be materially adversely affected.

If we fail to manage our planned growth properly, we may not be able to expand our fleet successfully, which may adversely affect our overall financial position.

We have grown our fleet and business significantly since August 2005. We intend to continue to expand our fleet in the future. Our growth will depend on:

- locating and acquiring suitable vessels;
- identifying reputable shipyards with available capacity and contracting with them for the construction of new vessels;
- integrating any acquired vessels successfully with our existing operations;
- enhancing our customer base;

managing our expansion; and

obtaining required financing, which could include debt, equity or combinations thereof.

Additionally, the marine transportation and logistics industries are capital intensive, traditionally using substantial amounts of indebtedness to finance vessel acquisitions, capital expenditures and working capital needs. If we finance the purchase of our vessels through the issuance of debt securities, it could result in:

- default and foreclosure on our assets if our operating cash flow after a business combination or asset acquisition were insufficient to pay our debt obligations;
- acceleration of our obligations to repay the indebtedness even if we have made all principal and interest payments when due if the debt security contained covenants that required the maintenance of certain financial ratios or reserves and any such covenant was breached without a waiver or renegotiation of that covenant;
- our immediate payment of all principal and accrued interest, if any, if the debt security was payable on demand; and
- our inability to obtain additional financing, if necessary, if the debt security contained covenants restricting our ability to obtain additional financing while such security was outstanding.

In addition, our business plan and strategy is predicated on buying vessels in a distressed market at what we believe is near the low end of the cycle in what has typically been a cyclical industry. However, there is no assurance that shipping rates and vessels asset values will not sink lower, or that there will be an upswing in shipping costs or vessel asset values in the near-term or at all, in which case our business plan and strategy may not succeed in the near-term or at all. Growing any business by acquisition presents numerous risks such as undisclosed liabilities and obligations, difficulty experienced in obtaining additional qualified personnel and managing relationships with customers and suppliers and integrating newly acquired operations into existing infrastructures. We may not be successful in growing and may incur significant expenses and losses.

Although we have long-standing relationships with certain Japanese ship owners that provide us access to very competitive contracts, we cannot assure you that we will always be able to maintain such relationships or that such contracts will continue to be available in the future.

We have long-standing relationships with certain Japanese ship owners that give us access to time charters that are currently at favorable rates and that, in some cases, include options to purchase the vessels at favorable prices relative to the current market. We cannot assure you that we will have such relationships indefinitely. In addition, there is no assurance that Japanese ship owners will generally make contracts available on the same or substantially similar terms in the future.

Unrealized losses of available for sale securities may negatively affect our results of operations in the future.

As part of the consideration received from the sale of the Navios Hope to Navios Partners in July 2008, the Company received 3,131,415 common units of Navios Partners (14.4% of the then-outstanding units of Navios Partners).

On March 18, 2010, Navios Holdings sold the Navios Aurora II, a 2009 South Korean-built Capesize vessel with a capacity of 169,031 deadweight tons, or dwt, to Navios Partners for $110.0 million. Out of the $110.0 million purchase price, $90.0 million was paid in cash and the remaining amount was paid through the receipt of 1,174,219 common units of Navios Partners.

On November 15, 2010, Navios Holdings sold to Navios Partners the vessels Navios Melodia and Navios Fulvia, two 2010-built Capesize vessels, for a total consideration of $177.0 million of which $162.0 million was paid in cash and the remaining in 788,370 common units of Navios Partners.

On May 19, 2011, Navios Holdings sold the Navios Luz, a 2010 built Capesize vessel of 179,144 dwt, and the Navios Orbiter, a 2004 built Panamax vessel of 76,602 dwt, to Navios Partners for a total consideration of $130.0 million, of which $120.0 million is payable in cash and $10.0 million is payable in newly issued common units of Navios Partners. A portion of the cash proceeds amounting to $57.7 million was used to fully repay the outstanding loans associated with the vessels.

All of the common units that the Company received from the sale of the vessels described above to Navios Partners are accounted for under guidance for available-for-sale securities (the AFS Securities). Accordingly, unrealized gains and losses on these securities are reflected directly in equity unless an unrealized loss is considered other-than-temporary in which case it is transferred to the statements of income. The Company has no other types of AFS Securities.

As of March 31, 2011, December 31, 2010 and December 31, 2009, the carrying amounts of the AFS Securities were $103.6 million, $99.1 million and $46.3 million, respectively, and the unrealized holding gains/(losses) related to these AFS Securities included in Accumulated Other Comprehensive Income/(Loss) were $37.1 million, $32.6 million, $15.2 million and $(22.6) million as of March 31, 2011 and December 31, 2010, 2009 and 2008, respectively. On June 30, 2009, the Company recognized in earnings realized losses amounting to $13.8 million following the common units market value being less than their acquisition price for a consecutive period of 12 months. Therefore, this decline was considered as other-than-temporary impairment (OTTI). Management evaluates securities for OTTI on a quarterly basis. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of Navios Partners, and (3) the intent and ability of the Company to retain its investment in Navios Partners for a period of time sufficient to allow for any anticipated recovery in fair value.

As of March 31, 2011, market valuation of these securities had increased. If the fair value of these AFS Securities declines below their June 30, 2009 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.

The smuggling of drugs or other contraband onto our vessels may lead to governmental claims against us.

We expect that our vessels will call in ports in South America and other areas where smugglers attempt to hide drugs and other contraband on vessels, with or without the knowledge of crew members. To the extent our vessels are found with contraband, whether inside or attached to the hull of our vessel and whether with or without the knowledge of any of our crew, we may face governmental or other regulatory claims which could have an adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

Our vessels may be subject to unbudgeted periods of off-hire, which could materially adversely affect our business, financial condition and results of operations.

Under the terms of the charter agreements under which our vessels operate, or are expected to operate in the case of the newbuilding, when a vessel is off-hire, or not available for service or otherwise deficient in its condition or performance, the charterer generally is not required to pay the hire rate, and we will be responsible for all costs (including the cost of bunker fuel) unless the charterer is responsible for the circumstances giving rise to the lack of availability. A vessel generally will be deemed to be off-hire if there is an occurrence preventing the full working of the vessel due to, among other things:

- operational deficiencies;
- the removal of a vessel from the water for repairs, maintenance or inspection, which is referred to as drydocking;
- equipment breakdowns;
- delays due to accidents or deviations from course;

occurrence of hostilities in the vessel s flag state or in the event of piracy;

crewing strikes, labor boycotts, certain vessel detentions or similar problems; or

our failure to maintain the vessel in compliance with its specifications, contractual standards and applicable country of registry and international regulations or to provide the required crew.

Table of Contents

Our Chairman and Chief Executive Officer holds approximately 23% of our common stock and will be able to exert considerable influence over our actions; her failure to own a significant amount of our common stock or to be our Chief Executive Officer would constitute a default under our secured credit facilities.

Ms. Angeliki Frangou owns approximately 23% of the outstanding shares of our common stock, and has filed a Schedule 13D indicating that she intends, subject to market conditions, to purchase in total $20.0 million of our common stock (as of March 31, 2011, she had purchased approximately $10.0 million in value of our common stock). As the Chairman, Chief Executive Officer and a significant stockholder, she has the power to exert considerable influence over our actions and the outcome of matters on which our stockholders are entitled to vote including the election of directors and other significant corporate actions. The interests of Ms. Frangou may be different from our stockholders interests and your interests. Furthermore, if Ms. Frangou ceases to hold a minimum of 20% of our common stock, does not remain actively involved in the business, or ceases to be our Chief Executive Officer, then we will be in default under our secured credit facilities.

The loss of key members of our senior management team could disrupt the management of our business.

We believe that our success depends on the continued contributions of the members of our senior management team, including Ms. Angeliki Frangou, our Chairman, Chief Executive Officer and principal stockholder. The loss of the services of Ms. Frangou or one of our other executive officers or senior management members could impair our ability to identify and secure new charter contracts, to maintain good customer relations and to otherwise manage our business, which could have a material adverse effect on our financial performance and our ability to compete.

Certain of our directors, officers, and principal stockholders are affiliated with entities engaged in business activities similar to those conducted by us which may compete directly with us, causing such persons to have conflicts of interest.

Some of our directors, officers and principal stockholders have affiliations with entities that have similar business activities to those conducted by us. Certain of our directors are also directors of other shipping companies and they may enter similar businesses in the future. These other affiliations and business activities may give rise to certain conflicts of interest in the course of such individuals affiliation with us. Although we do not prevent our directors, officers and principal stockholders from having such affiliations, we use our best efforts to cause such individuals to comply with all applicable laws and regulations in addressing such conflicts of interest. Our officers and employee directors devote their full time and attention to our ongoing operations, and our non-employee directors devote such time as is necessary and required to satisfy their duties as directors of a public company.

Because we generate all of our revenues in U.S. dollars but incur a portion of our expenses in other currencies, exchange rate fluctuations could cause us to suffer exchange rate losses, thereby increasing expenses and reducing income.

We engage in worldwide commerce with a variety of entities. Although our operations may expose us to certain levels of foreign currency risk, our transactions are predominantly U.S. dollar-denominated at the present. Additionally, our South American subsidiaries transact a nominal amount of their operations in Uruguayan pesos, Paraguayan Guaranies, Argentinean pesos and Brazilian Reales, whereas our wholly owned vessel subsidiaries and the vessel management subsidiary transact a nominal amount of their operations in Euros; however, all of the subsidiaries primary cash flows are U.S. dollar-denominated. In 2010, approximately 27.1% of our expenses were incurred in currencies other than U.S. dollars. Transactions in currencies other than the functional currency are translated at the exchange rate in effect at the date of each transaction. Expenses incurred in foreign currencies against which the U.S. dollar falls in value can increase, thereby decreasing our income. For example, during the year ended

December 31, 2010, the value of the U.S. dollar increased by approximately 8.2% as compared to the Euro. A greater percentage of our transactions and expenses in the future may be denominated in currencies other than U.S. dollar. As part of our overall risk management policy, we attempt to hedge these risks in exchange rate fluctuations from time to time. We may not always be successful in such hedging activities and, as a result, our operating results could suffer as a result of non-hedged losses incurred as a result of exchange rate fluctuations.

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

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

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

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

Being a foreign private issuer exempts us from certain SEC requirements.

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

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

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

We may require additional financing to acquire vessels or business or to exercise vessel purchase options, and such financing may not be available.

In the future, we may be required to make substantial cash outlays to exercise options or to acquire vessels or business and will need additional financing to cover all or a portion of the purchase prices. We intend to cover the cost of such items with new debt collateralized by the vessels to be acquired, if applicable, but there can be no assurance that we will generate sufficient cash or that debt financing will be available. Moreover, the covenants in our senior secured credit facility, our indentures or other debt, may make it more difficult to obtain such financing by imposing restrictions on what we can offer as collateral.

Table of Contents

Risks Relating to Navios South American Logistics Inc. (Navios Logistics)

Navios Logistics business can be affected by adverse weather conditions, effects of climate change and other factors beyond its control, that can affect production of the goods Navios Logistics transports and store as well as the navigability of the river system on which Navios Logistics operates.

A significant portion of our subsidiary Navios Logistics, is derived from the transportation, handling and storage of soybeans and other agricultural products produced in the Hidrovia region. Any drought or other adverse weather conditions, such as floods, could result in a decline in production of these products, which would likely result in a reduction in demand for Navios Logistics services. This would, in turn, negatively impact its results of operations and financial condition. Furthermore, Navios Logistics fleet operates in the Parana and Paraguay Rivers, and any changes adversely affecting navigability of either of these rivers, such as changes in the depth of the water or the width of the navigable channel, could, in the short-term, reduce or limit its ability to effectively transport cargo on the rivers. For example, Navios Logistics was adversely affected by the decline in soybean production associated with the drought experienced mainly in the first quarter of 2009, throughout the main soybean growing areas of the Hidrovia. Low water levels, which began during the fourth quarter of 2008 and extended into 2009, also affected the volume carried. The possible effects of climate change, such as floods, droughts or increased storm activity, could similarly affect the demand for its services or its operations.

A prolonged drought, the possible effects of climate change, or other turn of events that is perceived by the market to have an impact on the region, the navigability of the Parana or Paraguay Rivers or Navios Logistics business in general may, in the short-term, result in a reduction in the market value of its ports, barges and pushboats that operate in the region. These barges and pushboats are designed to operate in wide and relatively calm rivers, of which there are only a few in the world. If it becomes difficult or impossible to operate profitably Navios Logistics barges and pushboats in the Hidrovia and Navios Logistics is forced to sell them to a third party located outside of the region, there is a limited market in which we would be able to sell these vessels, and accordingly it may be forced to sell them at a substantial loss.

Navios Logistics industry has inherent operational risks that may not be adequately covered by its insurance.

The operation of vessels in international and regional trade is inherently risky. Although Navios Logistics carries insurance for its fleet covering risks commonly insured against by vessel owners and operators, such as hull and machinery insurance, war risks insurance and protection and indemnity insurance, all risks may not be adequately insured against, any particular claim may not be paid and any indemnification paid due to the occurrence of a casualty covered by its policies may not be sufficient to entirely compensate Navios Logistics for the damages suffered. Navios Logistics does not currently maintain loss of hire or defense insurance. Navios Logistics also does not maintain off-hire insurance, which would cover the loss of revenue during extended vessel off-hire periods, such as those that occur during an unscheduled drydocking due to damage to the vessel from accidents. Furthermore, Navios Logistics does not maintain strike insurance, which would protect it from loss of revenue due to labor disruptions. Accordingly, any extended vessel off-hire, due to an accident, labor disruption or other reason, could have a material adverse effect on its business. Any claims covered by insurance would be subject to deductibles, and since it is possible that a large number of claims may be brought, the aggregate amount of these deductibles could be material.

Navios Logistics may be unable to procure adequate insurance coverage for its fleet or port terminals at commercially reasonable rates in the future. For example, more stringent environmental regulations have led in the past to increased costs for, and in the future may result in the lack of availability of, insurance against risks of environmental damage or pollution. A catastrophic oil spill or marine disaster could exceed its insurance coverage, which could harm its business, financial condition and operating results. Changes in the insurance markets attributable to terrorist attacks may also make certain types of insurance more difficult for Navios Logistics to obtain. In addition, the insurance that may be available to it in the future may be significantly more expensive than its existing coverage.

Even if Navios Logistics insurance coverage is adequate to cover its losses, it may not be able to timely obtain a replacement vessel or other asset in the event of a loss. Furthermore, in the future, Navios Logistics may not be

Table of Contents

able to obtain adequate insurance coverage at reasonable rates for its fleet and port terminals. Navios Logistics insurance policies also contain deductibles, limitations and exclusions, which can result in significant increased overall costs to Navios Logistics.

Navios Logistics is an international company that is exposed to the risks of doing business in many different, and often less developed and emerging market countries.

Navios Logistics is an international company and conduct all of its operations outside of the United States, and expects to continue doing so for the foreseeable future. These operations are performed in countries that are historically less developed and stable than the United States, such as Argentina, Brazil, Bolivia, Paraguay and Uruguay. Some of the other risks Navios Logistics is generally exposed to through its operations in emerging markets include among others:

- political and economic instability, changing economic policies and conditions, and war and civil disturbances;
- recessions in economies of countries in which Navios Logistics has business operations;
- frequent government interventions into the country s economy, including changes to monetary,fiscal and credit policy;
- the imposition of additional withholding, income or other taxes, or tariffs or other restrictions on foreign trade or investment, including currency exchange controls and currency repatriation limitations;
- the modification of Navios Logistics status or the rules and regulations relating to the international tax-free trade zone in which it operates its dry port;
- the imposition of executive and judicial decisions upon Navios Logistics vessels by the different governmental authorities associated with some of these countries;
- the imposition of or unexpected adverse changes in foreign laws or regulatory requirements;
- longer payment cycles in foreign countries and difficulties in collecting accounts receivable;
- difficulties and costs of staffing and managing Navios Logistics foreign operations; and
- acts of terrorism.

These risks may result in unforeseen harm to Navios Logistics business and financial condition. Also, some of Navios Logistics customers are headquartered in South America, and a general decline in the economies of South America, or the instability of certain South American countries and economies, could adversely affect it.

Navios Logistics business in emerging markets requires to respond to rapid changes in market conditions in these countries. Navios Logistics overall success in international markets depends, in part, upon its ability to succeed in different legal, regulatory, economic, social and political conditions. Navios Logistics may not continue to succeed in developing and implementing policies and strategies that will be effective in each location where it does business. Furthermore, the occurrence of any of the foregoing factors may have a material adverse effect on its business and results of operations.

With respect to Argentina, the Argentine economy has experienced significant volatility in recent decades. Although general economic conditions in Argentina have recovered significantly during recent years, there is uncertainty as to whether this growth is sustainable. The global economic crisis of 2008 has led to a sudden economic decline, accompanied by political and social unrest, inflationary and Peso depreciation pressures and lack of consumer and investor confidence. Future government policies to preempt, or in response to, social unrest may include expropriation, nationalization, forced renegotiation or modification of existing contracts, suspension of the enforcement of creditors rights, new taxation policies, and changes in laws and policies affecting foreign trade. Such policies could destabilize the country and adversely and materially affect the Argentine economy, and thereby Navios Logistics business, results of operations and financial condition.

Argentina has very limited access to foreign financing resulting from a default, several restructurings, and a series of payment suspensions over the past decade. Due to the lack of access to the international capital markets, the Argentine government continues to use the Argentine Central Bank s foreign-currency reserves for the payment of Argentina s current debt, the reduction of which may weaken Argentina s ability to overcome economic deterioration in the future. Without access to international private financing, Argentina may not be able to finance its obligations, and financing from multilateral financial institutions may be limited or not available. This could also inhibit the ability of the Argentine Central Bank to adopt measures to curb inflation and could adversely affect Argentina s economic growth and public finances.

With respect to Brazil, the Brazilian economy has experienced significant volatility in recent decades, characterized by periods of low or negative growth, high and variable levels of inflation and currency devaluation. Historically, Brazil s political situation has influenced the performance of the Brazilian economy, and political crises have affected the confidence of investors and the general public. Future developments in policies of the Brazilian government and/or the uncertainty of whether and when such policies and regulations may be implemented, all of which are beyond Navios Logistics control, could have a material adverse effect on it. Additionally, the Brazilian government frequently implements changes to the Brazilian tax regime, including changes in prevailing tax rates and the imposition of temporary taxes, which may affect Navios Logistics.

The governments of Argentina, Bolivia, Brazil, Paraguay and Uruguay have entered into a treaty that commits each of them to participate in a regional initiative to integrate the region s economies. There is no guarantee that such an initiative will be successful or that each of the governments involved in the initiative will follow through on its intentions to participate and if such regional initiative is unsuccessful, it could have a material adverse impact on Navios Logistics results of operations.

The governments of Argentina, Bolivia, Brazil, Paraguay and Uruguay have entered into a treaty that commits each of them to participate in a regional initiative to integrate the region s economies, a central component of which is water transportation in the Hidrovia. Although Navios Logistics believes that this regional initiative of expanding navigation on the Hidrovia river system will result in significant economic benefits, there is no guarantee that such an initiative will ultimately be successful, that each country will follow through on its intention to participate, or that the benefits of this initiative will match its expectations of continuing growth in the Hidrovia or reducing transportation costs. If the regional initiative is unsuccessful, Navios Logistics results of operations could be materially and adversely affected.

Changes in rules and regulations with respect to cabotage or their interpretation in the markets in which Navios Logistics operates could have a material adverse effect on our results of operations.

In the markets in which Navios Logistics currently operates, in cabotage or regional trades, it is subject to restrictive rules and regulations on a region by region basis. Navios Logistics operations currently benefit from these rules and regulations or their interpretation. For instance, preferential treatment is extended in Argentine cabotage for Argentine flagged vessels or foreign flagged vessels operated by local established operators with sufficient Argentine tonnage under one to three years licenses, including Navios Logistics Argentine cabotage vessels. Changes in cabotage rules and regulations or in their interpretation may have an adverse effect on our current or future cabotage operations, either by becoming more restrictive (which could result in limitations to the utilization of some of our vessels in those trades) or less restrictive (which could result in increased competition in these markets).

Risks Relating to Navios Maritime Acquisition Corporation

Navios Acquisition has a limited operating history and you will have a limited basis on which to evaluate its ability to achieve its business objectives. Navios Acquisition may not operate profitably in the future.

Navios Acquisition is a company with limited consolidated operating results to date. Accordingly, you will have a limited basis upon which to evaluate its ability to achieve its business objectives. Navios Acquisition has completed its initial public offering on July 1, 2008. Pursuant to the Acquisition Agreement dated April 8, 2010 and approved by its stockholders on May 25, 2010, Navios Acquisition completed the acquisition of 13 vessels

(11 product tankers and two chemical tankers) referred to as the Product and Chemical Tanker Acquisition. Three of the 13 vessels were delivered in the second, third and fourth quarter of 2010 and a fourth was delivered in the first quarter of 2011, with the remaining vessels under the Acquisition Agreement scheduled to be delivered in the future. The vessels acquired with the Product and Chemical Tanker Acquisition have no operating history, and the four vessels delivered in the second, third and fourth quarters of 2010 and the first quarter of 2011 have been chartered since their respective delivery. On September 10, 2010, Navios Acquisition completed the acquisition of seven very large crude carriers, referred to as the VLCC Acquisition, with six vessels already operating and the last vessel delivered on June 8, 2011. On October 26, 2010, Navios Acquisition entered into agreement to acquire two vessels scheduled for delivery in the fourth quarter of 2011. On June 17, 2011, Navios Acquisition entered into an agreement to acquire two MR2 product tankers built in 2009. Navios Acquisition took delivery of both MR2 product tankers in July 2011. In addition, on July 1, 2011, Navios Acquisition exercised its options to acquire the two 75,000 dwt LR1 newbuilding vessels, currently under construction, with scheduled deliveries in the fourth quarter of 2012 and in the first quarter of 2013, respectively. Navios Acquisitions historical financial statements do not fully reflect the consolidated operating results of the acquisitions it has completed or the vessels it has not yet acquired.

Delays in deliveries of Navios Acquisition newbuild vessels, or its decision to cancel, or its inability to otherwise complete the acquisitions of any newbuildings Navios Acquisition may decide to acquire in the future, could harm its operating results and lead to the termination of any related charters.

Navios Acquisition s newbuilding vessels, as well as any newbuildings it may contract to acquire or order in the future, could be delayed, not completed or cancelled, which would delay or eliminate its expected receipt of revenues under any charters for such vessels. The shipbuilder or third party seller could fail to deliver the newbuilding vessel or any other vessels it acquires or orders, or it could cancel a purchase or a newbuilding contract because the shipbuilder has not met its obligations, including its obligation to maintain agreed refund guarantees in place for Navios Acquisition s benefit. For prolonged delays, the customer may terminate the time charter.

Navios Acquisitions receipt of newbuildings could be delayed, cancelled, or otherwise not completed because of:

- quality or engineering problems or failure to deliver the vessel in accordance with the vessel specifications;
- changes in governmental regulations or maritime self-regulatory organization standards;
- work stoppages or other labor disturbances at the shipyard;
- natural disasters and their effects;
- bankruptcy or other financial or liquidity problems of the shipbuilder;
- a backlog of orders at the shipyard;
- political or economic disturbances in the country or region where the vessel is being built;
- weather interference or catastrophic event, such as a major earthquake or fire;
- shortages of or delays in the receipt of necessary construction materials, such as steel; and
- its inability to finance the purchase of the vessel.

If delivery of any newbuild vessel acquired, or any vessel Navios Acquisition s contract to acquire in the future is materially delayed, it could materially adversely affect its results of operations and financial condition.

Navios Acquisition relies on its technical managers to provide essential services to its vessels and run the day-to-day operations of its vessels.

Pursuant to technical management agreements, which involve overseeing the construction of a vessel, as well as subsequent shipping operations throughout the life of a vessel, Navios Acquisition s current technical manager provides services essential to the business of its vessels, including vessel maintenance, crewing, purchasing, shipyard supervision, insurance and assistance with vessel regulatory compliance. The current technical manager of the VLCC vessels, an affiliate of the seller of such vessels, is a technical ship management company that has provided technical management to the acquired VLCC vessels prior to the consummation of the acquisition. This technical manager will continue to provide such services for an interim period subsequent to the closing of the VLCC Acquisition, after which the technical management of Navios Acquisition s fleet is expected to be provided directly by a subsidiary of Navios Holdings. However, in the event Navios Holdings does not obtain the required vetting approvals, it will not be able to take over technical management. Navios Acquisition s operational success and ability to execute its strategy will depend significantly upon the satisfactory performance of these services by the current technical manager, and, subsequently, by the Navios Holdings subsidiary. The failure of either of these technical managers to perform these services satisfactorily and/or the failure of the Navios Holdings subsidiary to garner the approvals necessary to become Navios Acquisition s technical manager for the VLCC vessels could have a material adverse effect on Navios Acquisition s business, financial condition and results of operations.

The cyclical nature of the tanker industry may lead to volatility in charter rates and vessel values, which could materially adversely affect Navios Acquisitions future earnings.

Oil has been one of the world s primary energy sources for a number of decades. The global economic growth of previous years had a significant impact on the demand for oil and subsequently on the oil trade and shipping demand. However, during the second half of 2008 and throughout 2009, the world s economies experienced a major economic slowdown with effects that are ongoing, the duration of which is very difficult to forecast and which has, and is expected to continue to have, a significant impact on world trade, including the oil trade. If the tanker market, which has historically been cyclical, is depressed in the future, our earnings and available cash flow may be materially adversely affected. Our ability to employ Navios Acquisition vessels profitably will depend upon, among other things, economic conditions in the tanker market. Fluctuations in charter rates and tanker values result from changes in the supply and demand for tanker capacity and changes in the supply and demand for liquid cargoes, including petroleum and petroleum products.

Historically, the crude oil markets have been volatile as a result of the many conditions and events that can affect the price, demand, production and transport of oil, including competition from alternative energy sources. Decreased demand for oil transportation may have a material adverse effect on our revenues, cash flows and profitability. The factors affecting the supply and demand for tankers are outside of Navios Acquisition s control, and the nature, timing and degree of changes in industry conditions are unpredictable. The current global financial crisis has intensified this unpredictability.

The factors that influence demand for tanker capacity include:

- demand for and supply of liquid cargoes, including petroleum and petroleum products;
- developments in international trade;
- waiting days in ports;
- changes in oil production and refining capacity and regional availability of petroleum refining capacity;
- environmental and other regulatory developments;
- global and regional economic conditions;
- the distance chemicals, petroleum and petroleum products are to be moved by sea;

changes in seaborne and other transportation patterns, including changes in distances over which cargo is transported due to geographic changes in where oil is produced, refined and used;

competition from alternative sources of energy;

armed conflicts and terrorist activities;

political developments; and

embargoes and strikes.

The factors that influence the supply of tanker capacity include:

- the number of newbuilding deliveries;
- the scrapping rate of older vessels;
- port or canal congestion;
- the number of vessels that are used for storage or as floating storage offloading service vessels;
- the conversion of tankers to other uses, including conversion of vessels from transporting oil and oil products to carrying drybulk cargo and the reverse conversion;
- availability of financing for new tankers;
- the phasing out of single-hull tankers due to legislation and environmental concerns;
- the price of steel;
- the number of vessels that are out of service;
- national or international regulations that may effectively cause reductions in the carrying capacity of vessels or early obsolescence of tonnage; and
- environmental concerns and regulations.

Furthermore, the extension of refinery capacity in India and the Middle East up to 2011 is expected to exceed the immediate consumption in these areas, and an increase in exports of refined oil products is expected as a result. Historically, the tanker markets have been volatile as a result of the many conditions and factors that can affect the price, supply and demand for tanker capacity. The recent global economic crisis may further reduce demand for transportation of oil over long distances and supply of tankers that carry oil, which may materially affect our future revenues, profitability and cash flows.

Navios Acquisition s current order book for tanker vessels represents a significant percentage of the existing fleet. An over-supply of tanker capacity may result in a reduction of charter hire rates. If a reduction in charter rates occurs, Navios Acquisition may only be able to charter its vessels at unprofitable rates or it may not be able to charter these vessels at all, which could lead to a material adverse effect on its results of operations.

Charter rates in the crude oil, product and chemical tanker sectors of the seaborne transportation industry in which Navios Acquisition operates have significantly declined from historically high levels in 2008 and may remain depressed or decline further in the future, which may adversely affect our earnings.

Charter rates in the crude oil, product and chemical tanker sectors have significantly declined from historically high levels in 2008 and may remain depressed or decline further. For example, the Baltic Dirty Tanker Index declined from a high of 2,347 in July 2008 to 453 in mid-April 2009, which represents a decline of approximately 81%. As of June 7, 2011, it stood at 745. The Baltic Clean Tanker Index fell from 1,509 in the early summer of 2008 to 345 in April 2009, or approximately 77%. It has since rallied to 677 as of June 7, 2011. Of note is that Chinese imports of crude oil have steadily increased from 3 million barrels per day in 2008 to about 5.4 million barrels per day in April

2011. If the tanker sector of the seaborne transportation industry, which has been highly cyclical, is depressed in the future at a time when Navios Acquisition may want to sell a vessel, its earnings and available cash flow may be adversely affected. Navios Acquisition cannot assure you that it will be able to successfully charter its vessels in the future at rates sufficient to allow Navios Acquisition to operate its business profitably or to meet its obligations, including payment of debt service to our lenders. Navios Acquisition s ability to renew the charters on vessels that Navios Acquisition may acquire in the future, the charter rates payable under any replacement charters and vessel values will depend upon, among other things, economic conditions in the sector in which its vessels operate at that time, changes in the supply and demand for vessel capacity and changes in the supply and demand for the seaborne transportation of energy resources and commodities.

Table of Contents

Spot market rates for tanker vessels are highly volatile and are currently at relatively low levels historically and may further decrease in the future, which may adversely affect our earnings in the event that Navios Acquisition s vessels are chartered in the spot market.

Navios Acquisition intends to deploy at least some of its vessels in the spot market. Although spot chartering is common in the product and chemical tanker sectors, product and chemical tanker charter hire rates are highly volatile and may fluctuate significantly based upon demand for seaborne transportation of crude oil and oil products and chemicals, as well as tanker supply. The world oil demand is influenced by many factors, including international economic activity; geographic changes in oil production, processing, and consumption; oil price levels; inventory policies of the major oil and oil trading companies; and strategic inventory policies of countries such as the United States and China. The successful operation of Navios Acquisition s vessels in the spot charter market depends upon, among other things, obtaining profitable spot charters and minimizing, to the extent possible, time spent waiting for charters and time spent traveling unladen to pick up cargo. Furthermore, as charter rates for spot charters are fixed for a single voyage that may last up to several weeks, during periods in which spot charter rates are rising, Navios Acquisition will generally experience delays in realizing the benefits from such increases.

The spot market is highly volatile, and, in the past, there have been periods when spot rates have declined below the operating cost of vessels. Currently, charter hire rates are at relatively low rates historically and there is no assurance that the crude oil, product and chemical tanker charter market will recover over the next several months or will not continue to decline further.

Navios Acquisition s six on-the-water VLCC vessels are contractually committed to time charters, with the remaining terms of these charters expiring during the period from and including 2014 through 2025. The newbuilding VLCC delivered on June 8, 2011, is operating on a charter that expires during 2026. Although time charters generally provide reliable revenue, they will also limit the portion of Navios Acquisition s fleet available for spot market voyages. Navios Acquisition is not permitted to unilaterally terminate the charter agreements of the VLCC vessels due to upswings in the tanker industry cycle, when spot market voyages might be more profitable. Navios Acquisition may also decide to sell a vessel in the future. In such a case, should Navios Acquisition sell a vessel that is committed to a long-term charter, it may not be able to realize the full charter free fair market value of the vessel during a period when spot market charters are more profitable than the charter agreement under which the vessel operates. Navios Acquisition may re-charter the VLCC vessels on long-term charters or charter them in the spot market upon expiration or termination of the vessels current charters. If Navios Acquisition is not able to employ the VLCC vessels profitably under time charters or in the spot market, its results of operations and operating cash flow may suffer.

Any decrease in shipments of crude oil from the Arabian Gulf or West Africa may materially adversely affect our financial performance.

The demand for VLCC oil tankers derives primarily from demand for Arabian Gulf and West African crude oil, which, in turn, primarily depends on the economies of the world s industrial countries and competition from alternative energy sources. A wide range of economic, social and other factors can significantly affect the strength of the world s industrial economies and their demand for Arabian Gulf and West African crude oil.

Among the factors that could lead to a decrease in demand for exported Arabian Gulf and West African crude oil are:

- increased use of existing and future crude oil pipelines in the Arabian Gulf or West African regions;
- a decision by the Organization of the Petroleum Exporting Countries (OPEC) to increase its crude oil prices or to further decrease or limit their crude oil production;

armed conflict or acts of piracy in the Arabian Gulf or West Africa and political or other factors;

increased oil production in other regions, such as Russia and Latin America; and

the development and the relative costs of nuclear power, natural gas, coal and other alternative sources of energy.

Table of Contents

Any significant decrease in shipments of crude oil from the Arabian Gulf or West Africa may materially adversely affect our financial performance.

Eight of the vessels Navios Acquisition has acquired are second-hand vessels, and may acquire more second-hand vessels in the future. The acquisition and operation of such vessels may result in increased operating costs and vessel off-hire, which could materially adversely affect our earnings.

Two of the LR1 product tanker vessels and six of the VLCC vessels that Navios Acquisition has acquired are second-hand vessels, and may acquire more second-hand vessels in the future. Navios Acquisition s inspection of second-hand vessels prior to purchase does not provide it with the same knowledge about their condition and cost of any required or anticipated repairs that it would have had if these vessels had been built for and operated exclusively by it. Generally, Navios Acquisition will not receive the benefit of warranties on second-hand vessels.

In general, the costs to maintain a vessel in good operating condition increase with the age of the vessel. Due to improvements in engine technology, older vessels are typically less fuel efficient and more costly to maintain than more recently constructed vessels. Cargo insurance rates increase with the age of a vessel, making older vessels less desirable to charterers.

Governmental regulations, safety or other equipment standards related to the age of vessels may require expenditures for alterations or the addition of new equipment, to its vessels and may restrict the type of activities in which the vessels may engage or the geographic regions in which we may operate. Navios Acquisition cannot predict what alterations or modifications Navios Acquisition s vessels may be required to undergo in the future. As Navios Acquisition s vessels age, market conditions may not justify those expenditures or enable it to operate its vessels profitably during the remainder of their useful lives.

Although Navios Acquisition has considered the age and condition of the vessels in budgeting for operating, insurance and maintenance costs, it may encounter higher operating and maintenance costs due to the age and condition of these vessels, or any additional vessels it acquires in the future. The age of some of the VLCC vessels may result in higher operating costs and increased vessel off-hire periods relative to Navios Acquisition s competitors that operate newer fleets, which could have a material adverse effect on its results of operations.

Navios Acquisition s growth depends on continued growth in demand for crude oil, refined petroleum products (clean and dirty) and bulk liquid chemicals and the continued demand for seaborne transportation of such cargoes.

Navios Acquisition s growth strategy focuses on expansion in the crude oil, product and chemical tanker sectors. Accordingly, its growth depends on continued growth in world and regional demand for crude oil, refined petroleum (clean and dirty) products and bulk liquid chemicals and the transportation of such cargoes by sea, which could be negatively affected by a number of factors, including:

- the economic and financial developments globally, including actual and projected global economic growth;
- fluctuations in the actual or projected price of crude oil, refined petroleum (clean and dirty) products or bulk liquid chemicals;
- refining capacity and its geographical location;
- increases in the production of oil in areas linked by pipelines to consuming areas, the extension of existing, or the development of new, pipeline systems in markets we may serve, or the conversion of existing non-oil

pipelines to oil pipelines in those markets;

decreases in the consumption of oil due to increases in its price relative to other energy sources, other factors making consumption of oil less attractive or energy conservation measures;

availability of new, alternative energy sources; and

negative or deteriorating global or regional economic or political conditions, particularly in oil-consuming regions, which could reduce energy consumption or its growth.

The refining and chemical industries may respond to the economic downturn and demand weakness by reducing operating rates and by reducing or cancelling certain investment expansion plans, including plans for additional refining capacity, in the case of the refining industry. Continued reduced demand for refined petroleum (clean and dirty) products and bulk liquid chemicals and the shipping of such cargoes or the increased availability of pipelines used to transport refined petroleum (clean and dirty) products, would have a material adverse effect on its future growth and could harm its business, results of operations and financial condition.

Navios Acquisition s growth depends on its ability to obtain customers, for which it faces substantial competition. In the highly competitive VLCC shipping industry, Navios Acquisition may not be able to compete for charters with new entrants or established companies with greater resources, which may adversely affect its results of operations.

Navios Acquisition employs the VLCC vessels in the highly competitive product and chemical tanker sectors of the shipping industry that is capital intensive and fragmented. Competition arises primarily from other vessel owners, including major oil companies as well as independent tanker companies, some of whom have substantially greater resources and experience than it. Competition for the chartering of VLCCs can be intense and depends on price, location, size, age, condition and the acceptability of the vessel and its managers to the charterers. Such competition has been enhanced as a result of the downturn in the shipping industry, which has resulted in an excess supply of vessels and reduced charter rates.

Medium- to long-term time charters and bareboat charters have the potential to provide income at pre-determined rates over more extended periods of time. However, the process for obtaining longer term time charters and bareboat charters is highly competitive and generally involves a lengthy, intensive and continuous screening and vetting process and the submission of competitive bids that often extends for several months. In addition to the quality, age and suitability of the vessel, longer term shipping contracts tend to be awarded based upon a variety of other factors relating to the vessel operator. Competition for the transportation of refined petroleum products (clean and dirty) and bulk liquid chemicals can be intense and depends on price, location, size, age, condition and acceptability of the vessel and its managers to the charterers.

In addition to having to meet the stringent requirements set out by charterers, it is likely that Navios Acquisition will also face substantial competition from a number of competitors who may have greater financial resources, stronger reputations or experience than it does when it tries to recharter its vessels. It is also likely that it will face increased numbers of competitors entering into the crude oil product and chemical tanker sectors, including in the ice class sector. Increased competition may cause greater price competition, especially for medium- to long-term charters. Due in part to the highly fragmented markets, competitors with greater resources could operate larger fleets through consolidations or acquisitions that may be able to offer better prices and fleets than Navios Acquisition s.

As a result of these factors, Navios Acquisition may be unable to obtain customers for medium- to long-term time charters or bareboat charters on a profitable basis, if at all. Even if Navios Acquisition is successful in employing its vessels under longer term time charters or bareboat charters, Navios Acquisition s vessels will not be available for trading in the spot market during an upturn in the product and chemical tanker market cycle, when spot trading may be more profitable. If Navios Acquisition cannot successfully employ its vessels in profitable time charters its results of operations and operating cash flow could be adversely affected.

Future increases in vessel operating expenses, including rising fuel prices, could materially adversely affect our business, financial condition and results of operations.

Under Navios Acquisition s time charter agreements, the charterer is responsible for substantially all of the voyage expenses, including port and canal charges and fuel costs and is generally responsible for vessel operating expenses.

Vessel operating expenses are the costs of operating a vessel, primarily consisting of crew wages and associated costs, insurance premiums, management fees, lubricants and spare parts and repair and maintenance costs. In particular, the cost of fuel is a significant factor in negotiating charter rates. As a result, an increase in the price of fuel beyond our expectations may adversely affect its profitability. The price and supply of fuel is unpredictable and fluctuates based on events outside its control, including geopolitical developments, supply and

Table of Contents

demand for oil, actions by members of OPEC and other oil and gas producers, war, terrorism and unrest in oil producing countries and regions, regional production patterns and environmental concerns and regulations.

Navios Acquisition receives a daily rate for the use of its vessels, which is fixed through the term of the applicable charter agreement. Its charter agreements do not provide for any increase in the daily hire rate in the event that vessel-operating expenses increase during the term of the charter agreement. The charter agreements for the six on-the-water VLCC vessels expire during the period from and including 2014 through 2025 and the VLCC newbuilding delivered on June 8, 2011 is operating under a charter agreement that expires in 2026. Because of the long-term nature of these charter agreements, incremental increases in Navios Acquisition s vessel operating expenses over the term of a charter agreement will effectively reduce Navios Acquisition s operating income and, if such increases in operating expenses are significant, adversely affect its business, financial condition and results of operations.

The crude oil, product and chemical tanker sectors are subject to seasonal fluctuations in demand and, therefore, may cause volatility in our operating results.

The crude oil, product and chemical tanker sectors of the shipping industry have historically exhibited seasonal variations in demand and, as a result, in charter hire rates. This seasonality may result in quarter-to-quarter volatility in our operating results. The product and chemical tanker markets are typically stronger in the fall and winter months in anticipation of increased consumption of oil and natural gas in the northern hemisphere. In addition, unpredictable weather patterns in these months tend to disrupt vessel scheduling and supplies of certain commodities. As a result, revenues are typically weaker during the fiscal quarters ended June 30 and September 30, and, conversely, typically stronger in fiscal quarters ended December 31 and March 31. Navios Acquisition s operating results, therefore, may be subject to seasonal fluctuations.

The current global economic downturn may negatively impact Navios Acquisition s business.

In recent years, there has been a significant adverse shift in the global economy, with operating businesses facing tightening credit, weakening demand for goods and services, deteriorating international liquidity conditions, and declining markets. Lower demand for tanker cargoes as well as diminished trade credit available for the delivery of such cargoes may create downward pressure on charter rates. If the current global economic environment persists or worsens, we may be negatively affected in the following ways:

Navios Acquisition may not be able to employ its vessels at charter rates as favorable to Navios Acquisition as historical rates or operate such vessels profitably.

The market value of its vessels could decrease significantly, which may cause Navios Acquisition to recognize losses if any of its vessels are sold or if their values are impaired. In addition, such a decline in the market value of its vessels could prevent Navios Acquisition from borrowing under its credit facilities or trigger a default under one of their covenants.

Charterers could have difficulty meeting their payment obligations to us.

If the contraction of the global credit markets and the resulting volatility in the financial markets continues or worsens that could have a material adverse impact on its results of operations, financial condition and cash flows.

The employment of Navios Acquisition s vessels could be adversely affected by an inability to clear the oil majors risk assessment process, and could be in breach of its charter agreements with respect to the VLCC vessels.

The shipping industry, and especially the shipment of crude oil, refined petroleum products (clean and dirty) and bulk liquid chemicals, has been, and will remain, heavily regulated. The so-called oil majors companies, such as Exxon Mobil, BP p.l.c., Royal Dutch Shell plc. Chevron, ConocoPhillips and Total S.A. together with a number of commodities traders, represent a significant percentage of the production, trading and shipping logistics (terminals) of crude oil and refined products worldwide. Concerns for the environment have led the oil majors to develop and implement a strict ongoing due diligence process when selecting their commercial partners. This vetting process has evolved into a sophisticated and comprehensive risk assessment of both the vessel operator and the vessel, including physical ship inspections, completion of vessel inspection questionnaires performed by accredited inspectors and the production of comprehensive risk assessment reports. In the case of term charter relationships, additional factors are considered when awarding such contracts, including:

office assessments and audits of the vessel operator;

the operator s environmental, health and safety record;

compliance with the standards of the International Maritime Organization (the IMO), a United Nations agency that issues international trade standards for shipping;

compliance with heightened industry standards that have been set by several oil companies;

shipping industry relationships, reputation for customer service, technical and operating expertise;

shipping experience and quality of ship operations, including cost-effectiveness;

quality, experience and technical capability of crews;

the ability to finance vessels at competitive rates and overall financial stability;

relationships with shipyards and the ability to obtain suitable berths;

construction management experience, including the ability to procure on-time delivery of new vessels according to customer specifications;

willingness to accept operational risks pursuant to the charter, such as allowing termination of the charter for force majeure events; and

competitiveness of the bid in terms of overall price.

Under the terms of Navios Acquisition s charter agreements, its charterers require that these vessels and the technical manager are vetted and approved to transport oil products by multiple oil majors. Navios Acquisition s failure to maintain any of its vessels to the standards required by the oil majors could put us in breach of the applicable charter agreement and lead to termination of such agreement, and could give rise to impairment in the value of its vessels.

Should Navios Acquisition not be able to successfully clear the oil majors risk assessment processes on an ongoing basis, the future employment of its vessels, as well as its ability to obtain charters, whether medium- or long-term, could be adversely affected. Such a situation may lead to the oil majors terminating existing charters and refusing to use its vessels in the future, which would adversely affect its results of operations and cash flows.

Charterers may terminate or default on their obligations to Navios Acquisition, which could materially adversely affect its results of operations and cash flow, and breaches of the charters may be difficult to enforce.

The loss of any of Navios Acquisition s customers, a customer s failure to perform under any of the applicable charters, a customer s termination of any of the applicable charters, the loss of any of its vessels or a decline in payments under the charters could have a material adverse effect on its business, results of operations and financial condition. In addition, the charterers of the VLCC vessels are based in, and have their primary assets and operations in, the Asia-Pacific region, including the People s Republic of China. The charter agreements for the VLCC vessels are governed by English law and provide for dispute resolution in English courts or London-based arbitral proceedings. There can be no assurance that we would be able to enforce any judgments against these charterers in jurisdictions where they are based or have their primary assets and operations.

Even after a charter contract is entered, charterers may terminate charters early under certain circumstances. The events or occurrences that will cause a charter to terminate or give the charterer the option to terminate the charter generally include a total or constructive total loss of the related vessel, the requisition for hire of the related vessel or the failure of the related vessel to meet specified performance criteria. In addition, the ability of a charterer to perform its obligations under a charter will depend on a number of factors that are beyond its control. These factors may include general economic conditions, the condition of the product and chemical tanker sectors of the shipping industry, the charter rates received for specific types of vessels and various operating expenses. There can be no assurance that Navios Acquisition would be able to enforce any judgments against these charterers in jurisdictions where they are based or have their primary assets and operations. In addition, Navios Acquisition is exploring the possibility of participating in the credit risk insurance currently available to Navios Holdings. Navios Holdings has insured its charter-out contracts through a AA+ rated governmental agency of a European Union member state, which provides that if the charterer goes into payment default, the insurer will reimburse it for the charter payments under the terms of the policy (subject to applicable deductibles and other customary limitations for such insurance). While Navios Acquisition may seek to benefit from such insurance, no assurance can be provided that will qualify for or choose to obtain this insurance.

Navios Acquisition cannot predict whether its charterers will, upon the expiration of their charters, re-charter its vessels on favorable terms or at all. If Navios Acquisition s charterers decide not to re-charter its vessels, it may not be able to re-charter them on terms similar to its current charters or at all. In the future, may also employ its vessels on the spot charter market, which is subject to greater rate fluctuation than the time charter market.

If Navios Acquisition receives lower charter rates under replacement charters or are unable to re-charter all of its vessels, its results of operations and financial condition could be materially adversely affected.

If Navios Acquisition experienced a catastrophic loss and its insurance is not adequate to cover such loss, it could lower its profitability and be detrimental to operations.

The ownership and operation of vessels in international trade is affected by a number of inherent risks, including mechanical failure, personal injury, vessel and cargo loss or damage, business interruption due to political conditions in foreign countries, hostilities, piracy, terrorism, labor strikes and/or boycotts, adverse weather conditions and catastrophic marine disaster, including environmental accidents and collisions. All of these risks could result in liability, loss of revenues, increased costs and loss of reputation. Navios Acquisition maintains hull and machinery insurance, protection and indemnity insurance, which include environmental damage and pollution and war risk insurance, consistent with industry standards, against these risks on its vessels and other business assets. However, Navios Acquisition cannot assure you that will be able to insure against all risks adequately, that any particular claim will be paid out of its insurance, or that Navios Acquisition will be able to procure adequate insurance coverage at commercially reasonable rates in the future.

Navios Acquisition may not have adequate insurance to compensate for damage to or loss of its vessels, which may have a material adverse effect on its financial condition and results of operation.

Navios Acquisition s insurers also require to pay certain deductible amounts, before they will pay claims, and insurance policies may contain limitations and exclusions, which, although we believe will be standard for the shipping industry, may nevertheless increase its costs and lower our profitability. Additionally, any increase in environmental and other regulations may also result in increased costs for, or the lack of availability of, insurance against the risks of environmental damage, pollution and other claims. Navios Acquisition s inability to obtain insurance sufficient to cover potential claims or the failure of insurers to pay any significant claims could lower its profitability and be detrimental to its operations.

Furthermore, even if insurance coverage is adequate to cover its losses, Navios Acquisition may not be able to timely obtain a replacement ship in the event of a loss. Navios Acquisition may also be subject to calls, or premiums, in amounts based not only on its own claim records but also the claim records of all other members of the protection and indemnity associations through which Navios Acquisition receive indemnity insurance coverage for tort liability. In addition, its protection and indemnity associations may not have enough resources to cover claims made against them. Navios Acquisition s payment of these calls could result in significant expenses to it, which could reduce its cash flows and place strains on its liquidity and capital resources.

Labor interruptions and problems could disrupt our business.

Certain of Navios Acquisition s vessels are manned by masters, officers and crews that are employed by third parties. If not resolved in a timely and cost-effective manner, industrial action or other labor unrest could prevent or hinder its operations from being carried out normally and could have a material adverse effect on its business, results of operations, cash flow and financial condition.

The indemnity may be inadequate to cover any damages.

The Securities Purchase Agreement for the VLCC vessels has a cap on indemnity obligations, subject to certain exceptions, of $58.7 million. Although Navios Acquisition performed substantial due diligence with respect to the VLCC Acquisition, there can be no assurance that there will not be undisclosed liabilities or other matters not discovered in the course of such due diligence and the $58.7 million indemnity may be inadequate to cover these or other damages related to breaches of such agreement. In addition, as there are approximately 1,378,122 shares available in escrow, of which some or all may be returnable to Navios Acquisition under the terms of the indemnity, it may be difficult to enforce an arbitration award for any damages in excess of such amount.

A large proportion of the revenue from the VLCC vessels is derived from a Chinese state-owned company, and changes in the economic and political environment in China or in Chinese relations with other countries could adversely affect Navios Acquisition s ability to continue this customer relationship.

DOSCO, a wholly owned subsidiary of the Chinese state-owned COSCO, charters four of the seven VLCC vessels (including the newbuilding). Changes in political, economic and social conditions or other relevant policies of the Chinese government, such as changes in laws, regulations or export and import restrictions, could restrict DOSCO s ability to continue its relationship with it. If DOSCO becomes unable to perform under its charter agreements with it, Navios Acquisition could suffer a loss of revenue that could materially adversely affect its business, financial condition, and results of operations. In addition, it may have limited ability in Chinese courts to enforce any awards for damages that it may suffer if DOSCO were to fail to perform its obligations under its charter agreements.

One of the vessels is subject to a mutual sale provision between the subsidiary that owns the vessel and the charterer of the vessel, which, if exercised, could reduce the size of Navios Acquisition s fleet and reduce our future revenue.

The Shinyo Ocean is subject to a mutual sale provision whereby Navios Acquisition or the charterer can request the sale of the vessel provided that a price can be obtained that is at least $3,000,000 greater than the agreed depreciated value of the vessel as set forth in the charter agreement. If this provision is exercised, it may not be able to obtain a replacement vessel for the price at which the vessel is sold. In such a case, the size of its fleet would be reduced and it may experience a reduction in it future revenue.

Navios Holdings has limited recent experience in the crude oil, product and chemical tanker sectors.

Navios Tankers Management Inc., a wholly owned subsidiary of Navios Holdings, oversees the commercial and administrative management of its entire fleet and the technical management of a portion of its fleet. Navios Holdings is a vertically-integrated seaborne shipping and logistics company with over 55 years of operating history in the shipping industry that held approximately 45% of Navios Acquisition s outstanding voting stock as of March 31, 2011. Other than with respect to South American operations, Navios Holdings has limited recent experience in the crude oil, chemical and product tanker sectors.

Such limited experience could cause Navios Holdings or Navios Tankers Management Inc. to make decisions that a more experienced operator in the sector might not make. If Navios Holdings or Navios Tankers Management Inc. is not able to properly assess or ascertain a particular aspect of the crude oil, product or chemical tanker sectors, it could have a material adverse affect on its operations.

Navios Holdings may compete directly with Navios Acquisition, causing certain officers to have a conflict of interest.

Angeliki Frangou and Ted C. Petrone are each officers and/or directors of both Navios Holdings and Navios Acquisition. Navios Acquisition operates in the crude oil, product and chemical tanker sectors of the shipping industry, and although Navios Holdings does not currently operate in those sectors, there is no assurance it

Table of Contents

will not enter them. If it does, Navios Acquisition may compete directly with Navios Holdings for business opportunities.

Tax Risks

We may earn United States source income that is subject to tax, thereby adversely affecting our results of operations and cash flows.

Under the U.S. Internal Revenue Code of 1986, or the Code, 50% of gross income attributable to shipping transportation that begins or ends, but that does not both begin and end, in the United States is characterized as U.S. source shipping income. Such income generally will be subject to a 4% U.S. federal income tax without allowance for deduction, unless we qualify for an exemption from such tax under section 883 of the Code. Based on our current plans, we expect that our income from sources within the United States will be international shipping income that qualifies for exemption from United States federal income taxation under section 883 of the Code, and that we will have no other income that will be taxed in the United States. Our ability to qualify for the exemption at any given time will depend upon circumstances related to the ownership of our common stock at such time and thus are beyond our control. Accordingly, we can give no assurance that we would qualify for the exemption under Section 883 with respect to any such income we earn. If Navios Holdings vessel-owning subsidiaries were not entitled to the benefit of section 883 of the Code, they would be subject to United States taxation on a portion of their income. As a result, depending on the trading patterns of our vessels, we could become liable for tax, and our net income and cash flow could be adversely affected.

We may be taxed as a United States corporation.

The purchase by International Shipping Enterprises Inc. (ISE), our predecessor, of all of the outstanding shares of common stock of Navios Holdings, and the subsequent downstream merger of ISE with and into Navios Holdings took place on August 25, 2005. Navios Holdings is incorporated under the laws of the Republic of the Marshall Islands. ISE received an opinion from its counsel for the merger transaction that, while there is no direct authority that governs the tax treatment of the transaction, it was more likely than not that Navios Holdings would be taxed by the United States as a foreign corporation. Accordingly, we take the position that we will be taxed as a foreign corporation by the United States. If Navios Holdings is taxed as a U.S. corporation in the future, its taxes will be significantly higher than they are currently.

Table of Contents

USE OF PROCEEDS

This exchange offer is intended to satisfy certain of our obligations under the registration rights agreement entered into in connection with the issuance of the outstanding notes. We will not receive any cash proceeds from the issuance of the exchange notes and have agreed to pay the expenses of the exchange offer. In consideration for issuing the exchange notes, we will receive in exchange outstanding notes in like principal amount. The form and terms of the exchange notes are identical to the form and terms of the outstanding notes, except as otherwise described herein under The Exchange Offer Terms of the Exchange Offer.

The net proceeds from the offering of the outstanding notes was approximately $340.6 million. We applied approximately $318.9 million of such net proceeds to complete a tender offer and consent solicitation and full redemption of our 91/2% senior notes due 2014 including accrued interest on these senior notes. The remaining proceeds were used for general corporate purposes.

The outstanding notes surrendered in exchange for the exchange notes will be retired and cancelled and cannot be reissued. Accordingly, issuance of the exchange notes will not result in any increase in our outstanding indebtedness.

CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2011:

(i) on a historical basis;

(ii) on an as adjusted basis to reflect material changes through August 8, 2011 as follows:

(a) repayments of long term indebtedness of $31.2 million (of which $2.2 million relates to Navios Logistics) that were made subsequent to March 31, 2011 through August 8, 2011.

(b) On May 9, 2011, Navios Holdings drew down $18.9 million from its revolving credit facility of up to $30.0 million with Marfin Popular Bank to partially finance the acquisition of Navios Astra, which was delivered to Navios Holdings on February 21, 2011.

(c) On May 19, 2011, Navios Holdings sold the Navios Luz, a 2010 built Capesize vessel of 179,144 dwt, and the Navios Orbiter, a 2004 built Panamax vessel of 76,602 dwt, to Navios Maritime Partners L.P. (Navios Partners) for total consideration of $130.0 million, of which $120.0 million is payable in cash and $10.0 million is payable in newly issued common units of Navios Partners. A portion of the cash proceeds amounting to $57.7 million was used to fully repay the outstanding loans associated with the vessels.

(d) On April 12, 2011, Navios Logistics issued $200.0 million in senior unsecured notes (the Logistics Senior Notes) due on April 15, 2019, at a fixed rate of 9.25%. The net proceeds from the Logistics Senior Notes were approximately $194.0 million, after deducting related fees and estimated expenses, and will be used to (i) purchase barges and pushboats, (ii) repay existing indebtedness, and (iii) to the extent available, for general corporate purposes. On April 12, 2011, Navios Logistics, using the proceeds from the Logistics Senior Notes, fully repaid its $70.0 million loan facility with Marfin Popular Bank.

(e) The purchase of the noncontrolling interest in certain joint ventures and the simultaneous repayment of debt related to such joint ventures. On July 25, 2011, Navios Logistics acquired the noncontrolling interests of its joint ventures Thalassa Energy S.A., HS Tankers Inc., HS Navigation Inc., HS Shipping Ltd. Inc. and HS South Inc., in accordance with the terms of certain stock purchase agreements with HS Energy Ltd., an affiliate of Vitol S.A. Navios Logistics paid a total consideration of $8.5 million for such noncontrolling interests, and simultaneously paid $53.2 million in full and final settlement of all amounts of indebtedness of such joint ventures under certain loan agreements.

The information in this table should be read in conjunction with our consolidated financial statements and related notes thereto and the other information included or incorporated by reference into this prospectus. You should also read this table in conjunction with our consolidated financial statements and related notes thereto, as well as the sections entitled Operating and Financial Review and Prospects which are incorporated by reference herein from our Annual Report on Form 20-F/A for the fiscal year ended December 31, 2010 and our Report on Form 6-K reporting results for the quarter ended March 31, 2011.

	As of March 31, 2011	
	Historical(i) (unaudited)	**As Adjusted(ii) (unaudited)**
	(In thousands of U.S. dollars)	

Existing long-term indebtedness (including current portion)		
Senior secured credit facilities	543,323	475,473
8.875% first priority ship mortgage notes due 2017	395,122	395,122
8.125% senior notes due 2019	350,000	350,000
Unsecured bond	20,000	20,000
Total Company and guarantor subsidiaries	**1,308,445**	**1,240,595**
Navios Logistics indebtedness	126,034	200,695
Total non-guarantor subsidiaries	**126,034**	**200,695**
Total long-term debt	**1,434,479**	**1,441,290**
Total Navios Holdings stockholders equity	**1,020,781**	**1,020,781**
Total capitalization	**2,455,260**	**2,462,071**

THE EXCHANGE OFFER

Purpose of the Exchange Offer

We issued the original notes on January 28, 2011 in transactions exempt from registration under the Securities Act. In connection with the issuance and sale, we entered into a registration rights agreement with the initial purchasers of the outstanding notes. In the registration rights agreement we agreed to, among other things

file the Exchange Offer Registration Statement with the SEC not later than 150 days after the date of original issuance of the outstanding notes;

use our commercially reasonable efforts to have the Exchange Offer Registration Statement declared effective by the SEC not later than 210 days after the date of original issuance of the outstanding notes;

use our commercially reasonable efforts to keep the Exchange Offer Registration Statement effective until the closing of the Exchange Offer;

keep the Exchange Offer open for acceptance for a period of not less than 20 business days; and

use our commercially reasonable efforts to cause the Exchange Offer to be consummated not later than 255 days after the date of original issuance of the outstanding notes.

If:

we are not permitted to file the Exchange Offer Registration Statement or to consummate the Exchange Offer because of any changes in law, SEC rules or regulations or applicable interpretations thereof by the staff of the SEC;

for any other reason the Exchange Offer Registration Statement is not declared effective on or prior to the 210th day after the date of original issuance of the outstanding notes, or the Exchange Offer is not consummated on or prior to the 255th day after the date of original issuance of the outstanding notes (unless the Exchange Offer is subsequently consummated);

any initial purchaser that holds notes so requests; or

any holder of notes is not permitted to participate in the Exchange Offer or does not receive fully tradeable Exchange Notes pursuant to the Exchange Offer;

we agree to file with the SEC a shelf registration statement (the Shelf Registration Statement) to cover resale of the Registrable Securities (as defined in the Registration Rights Agreement) by the holders thereof. We will use our commercially reasonable efforts to cause the applicable registration statement to be declared effective within the time periods specified in the Registration Rights Agreement. We will use our commercially reasonable efforts to keep such Shelf Registration Statement continuously effective, supplemented and amended until the first anniversary of the effective date of the Shelf Registration Statement or such shorter period that will terminate when all the registrable securities covered by the Shelf Registration Statement have been sold pursuant thereto or cease to be outstanding.

If (i) the Exchange Offer Registration Statement is not filed with the SEC on or prior to the 150th day after the date of original issuance of the outstanding notes, (ii) the Exchange Offer Registration Statement has not been declared effective on or prior to the 210th day after the date of original issuance of the outstanding notes, or (iii) the Exchange Offer is not consummated on or prior to the 255th day after the date of original issuance of the outstanding notes or the (iv) Shelf Registration Statement is not declared effective within the time periods specified in the Registration Rights Agreement (each such event referred to in clauses (i) through (iv) above, a Registration Default), the rate of interest on the notes shall be increased by 0.25% per annum of the principal amount of the notes, and will further increase by an additional 0.25% per annum of the principal amount of the notes for each subsequent 90-day period (or portion thereof) while a Registration Default is continuing up to a maximum of 1.0% per annum. Following the cure of all Registration Defaults, the accrual of Additional Interest with respect to Registration Defaults will cease.

Table of Contents

If the Shelf Registration Statement is not usable for any reason for more than 45 days in any consecutive 12-month period then, beginning on the 45th day that the Shelf Registration Statement ceases to be usable, subject to certain limited exceptions, the rate of interest on the notes shall be increased by 0.25% per annum of the principal amount of the notes, and will further increase by an additional 0.25% per annum of the principal amount of the notes for each subsequent 90-day period (or portion thereof), up to a maximum amount of 1.0% per annum. Upon the Shelf Registration Statement once again becoming usable, the accrual of such Additional Interest will cease.

Once the exchange offer is complete, we will have no further obligation to register any of the outstanding notes not tendered to us in the exchange offer. See Risk Factors Risks Relating to Our Indebtedness and the Exchange Notes Your Failure to Tender Outstanding Notes in the Exchange Offer May Affect Their Marketability.

Effect of the Exchange Offer

Based on interpretations of the staff of the SEC, as set forth in no-action letters to third parties, we believe that the notes issued in the exchange offer may be offered for resale, resold or otherwise transferred by holders of such notes, other than by any holder that is a broker-dealer who acquired outstanding notes for its own account as a result of market-making or other trading activities or by any holder which is an affiliate of us within the meaning of Rule 405 under the Securities Act. The exchange notes may be offered for resale, resold or otherwise transferred without compliance with the registration and prospectus delivery provisions of the Securities Act, if:

- the holder is acquiring the exchange notes in the ordinary course of its business;
- the holder is not engaging in and does not intend to engage in a distribution of the exchange notes;