

Navios Maritime Holdings Inc.
Form 6-K
December 03, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE
SECURITIES EXCHANGE ACT OF 1934

Dated: December 3, 2015

Commission File No. 001-33311

NAVIOS MARITIME HOLDINGS INC.

7 Avenue de Grande Bretagne, Office 11B2

Monte Carlo, MC 98000 Monaco

(Address of Principal Executive Offices)

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

Form 20-F Form 40-F

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

Yes No

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

Yes No

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

Operating and Financial Review and Prospects

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

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

Recent Developments

Dividend Policy

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

Share Repurchase Authorization

Navios Holdings has authorized an up to \$25.0 million share repurchase program that is effective for the period ending December 31, 2017. Any purchases of shares will be made from time to time in open market transactions at prevailing market prices or in privately negotiated transactions. The timing and amount of purchases will be determined by management based upon our results of operation and financial condition and capital resources and liquidity, market conditions restrictions under our credit agreements and indentures and other factors and may be made pursuant to a program adopted under Rule 10b5-1 under the Securities Exchange Act. There is no minimum

purchase amount or specific number of shares the Company has committed to buy, and the program may be suspended or reinstated at any time at Navios Holdings' discretion and without notice.

Dividends from Affiliates

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

Common and Preferred Stock

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

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

Navios Logistics

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

Affiliates (not consolidated under Navios Holdings)

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

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

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

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

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

Fleet

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

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

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

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

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

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

Owned Fleet to be Delivered

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

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

Long-term Chartered-in Vessels

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

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

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

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

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

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

Charter Policy and Industry Outlook

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

Generally, this chartering policy has had the effect of generating an aggregate Time Charter Equivalent (TCE) rate that was higher than spot employment, however this has not been the case for certain vessel sizes during 2015. The average daily charter-in vessel cost for the Navios Holdings long-term charter-in fleet (excluding vessels, which are utilized to serve voyage charters or COAs) was \$13,530 per day for the nine month period ended September 30, 2015. The average long-term charter-in hire rate per vessel per day was computed by (a) multiplying (i) the daily charter-in rate for each vessel by (ii) the number of days each vessel is in operation for the year; (b) summing those individual

multiplications; and (c) dividing such total by the total number of charter-in vessel days for the year. These rates exclude gains and losses from FFAs. Furthermore, Navios Holdings has the ability to increase its owned fleet through purchase options exercisable in the future at favorable prices relative to the then-current market.

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

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

Factors Affecting Navios Holdings Results of Operations

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

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

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

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

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

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

vessels actually generate revenues.

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

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

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

Voyage and Time Charter

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

the duration of the charters;

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

decisions relating to vessel acquisitions and disposals;

the amount of time spent positioning vessels;

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

the age, condition and specifications of the vessels; and

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

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

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

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

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

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

COAs and Forward Freight Agreements (FFAs)

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

Navios Holdings may enter into drybulk shipping FFAs as economic hedges relating to identifiable ship and/or cargo positions and as economic hedges of transactions the Company expects to carry out in the normal course of its shipping business. By

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utilizing certain derivative instruments, including drybulk shipping FFAs, the Company manages the financial risk associated with fluctuating market conditions. By entering into these contracts, the Company has assumed the risks relating to the possible inability of counterparties to meet the terms of their contracts.

Statement of Operations Breakdown by Segment

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The time charter and voyage expenses from drybulk vessel operations increased by \$17.1 million, or 14.7%, to \$133.6 million for the nine month period ended September 30, 2015, as compared to \$116.5 million for the nine

month period ended September 30, 2014. This was primarily due to (i) an increase in charter-in days; (ii) an increase in fuel expenses; and (iii) an increase in loss voyages in the current period.

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

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

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

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

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

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

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

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

Nine Month Period Ended September 30,	Nine Month Period Ended September 30,
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(in thousands of U.S. dollars)	2015	2014
	(unaudited)	(unaudited)
Drybulk Vessel Operations	\$ 11,164	\$ 16,956
Logistics Business	10,618	10,537
Sub-total	21,782	27,493
Credit risk insurance		889
General and administrative expenses	\$ 21,782	\$ 28,382

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

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

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

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

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

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

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

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

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

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

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

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

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

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