Navios Maritime Holdings Inc.
Form 6-K
November 28, 2011

Table of Contents

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 6-K
REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE
SECURITIES EXCHANGE ACT OF 1934
Dated: November 28, 2011
Commission File No. 001-33311
NAVIOS MARITIME HOLDINGS INC.
85 Akti Miaouli Street, Piraeus, Greece 185 38
(Address of Principal Executive Offices)

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

Form 20-F þ Form 40-F o

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 o No þ

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 o No þ

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes o No þ

Table of Contents

The information contained in this Report is incorporated by reference into the Registration Statements on Form F-3, File Nos. 333-136936 and 333-165754, the Registration Statement on Form S-8, File No. 333-147186 and the related prospectuses.

Operating and Financial Review and Prospects

The following is a discussion of the financial condition and results of operations of Navios Maritime Holdings Inc. (Navios Holdings or the Company or we) for the three and nine month periods ended September 30, 2011 and 2010. 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 Form 6-Ks dated August 9, 2011 and August 26, 2011, and the management s discussion and analysis included in Navios Holdings 2010 annual report on Form 20-F filed with the Securities and Exchange Commission and the condensed consolidated financial statements and the accompanying notes included elsewhere in this form 6-K.

This report contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Reform Act of 1995. 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 might cause a difference include, but are not limited to, those discussed under Part I, Item 3D Risk Factors in Navios Holdings 2010 annual report on Form 20-F.

Recent Developments

Navios Holdings

Vessel Acquisition

On October 31, 2011, Navios Holdings agreed to acquire a 81,600 deadweight ton (dwt) bulk carrier scheduled to be delivered in March 2012 from a South Korean shipyard. The purchase price for the new vessel is approximately $35.3 million, of which $5.1 million was paid in cash.

Dividend Policy

On November 14, 2011, the Board of Directors declared a quarterly cash dividend for the third quarter of 2011 of $0.06 per share of common stock. This dividend is payable on January 4, 2012 to stockholders of record on December 19, 2011. The declaration and payment of any further dividends remain subject to the discretion of the Board, and will depend on, among other things, Navios Holdings cash requirements as measured by market opportunities, debt obligations and restrictions under its credit and other debt agreements.

Deposits for Vessel Acquisition

On November 14, 2011, Navios Holdings paid an additional installment of $5.8 million for the acquisition of a new vessel scheduled to be delivered in April 2012, with a purchase price of approximately $35.5 million. The remaining capital expenditures commitment, which will be funded with equity, amount to $0.8 million.

Navios Logistics

Acquisitions

On various dates on or prior to October 24, 2011, Navios South American Logistics Inc. (Navios Logistics) used a portion of the proceeds from its offering of senior unsecured notes due 2019 to acquire three pushboats, 66 barges and one floating drydock facility for a total cost of approximately $56.0 million, including transportation and other related costs.

Following the acquisition of two pieces of land for $1.0 million in 2010, in September 2011, Navios Logistics paid another $0.4 million for the acquisition of a third piece of land. All of these pieces of land are located at the south of the Nueva Palmira Free Zone and were acquired as part of a project to develop a new transshipment facility for mineral ores and liquid bulks.

Construction of a new silo in the Dry Port

During the third quarter of 2011, Navios Logistics commenced the construction of a new silo at its dry port facility in Nueva Palmira, Uruguay. The silo is expected to be completed in March 2012. As of September 30, 2011, Navios Logistics had paid $3.0 million for the silo construction.

Navios Partners

On November 11, 2011, Navios Holdings received $6.7 million as a dividend distribution from its affiliate Navios Maritime Partners L.P. (Navios Partners).

Navios Acquisition

On November 4, 2011, of the 1,378,122 contingently returnable shares of common stock of Navios Maritime Acquisition Corporation (Navios Acquisition) that were issued on September 10, 2010 in connection with the acquisition of seven VLCC tankers (the VLCC Acquisition) and placed in escrow, 1,160,963 shares were released to the sellers and the remaining 217,159 shares were returned to Navios Acquisition in settlement of representations and warranties attributable to the prior sellers. Following the return of the 217,159 shares, Navios Holdings ownership of the outstanding voting stock of Navios Acquisition increased to 45.24% and its economic interest in Navios Acquisition increased to 53.96%.

Changes in Capital Structure

During the nine month period ended September 30, 2011, 8,001 shares of restricted common stock were forfeited upon termination of employment. On March 1, March 2, March 7, and June 23, 2011, 18,281, 29,250, 68,047 and 15,000 shares, respectively, were issued following the exercise of the options for cash at an exercise price of $3.18 per share.

Following the issuances and cancellations of the shares described above, Navios Holdings had outstanding as of September 30, 2011, 101,686,343 shares of common stock and 8,479 shares of preferred stock.

In October 2011, Navios Holdings repurchased 73,651 shares of its common stock for a total cost of $0.2 million under its repurchase program (see Liquidity and Capital Resources for further discussion on Navios Holdings repurchase program).

Overview

General

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

On August 25, 2005, pursuant to a Stock Purchase Agreement dated February 28, 2005, as amended, by and among International Shipping Enterprises, Inc (ISE), Navios Holdings and all the shareholders of Navios Holdings, ISE acquired Navios Holdings through the purchase of all of the outstanding shares of common stock of Navios Holdings. As a result of this acquisition, Navios Holdings became a wholly owned subsidiary of ISE. In addition, on August 25, 2005, simultaneously with the acquisition of Navios Holdings, ISE effected a reincorporation from the State of Delaware to the Republic of the Marshall Islands through a downstream merger with and into its newly acquired wholly owned subsidiary, whose name was and continues to be Navios Maritime Holdings Inc.

On August 7, 2007, Navios Holdings formed Navios Partners under the laws of Marshall Islands. Navios G.P. L.L.C. (General Partner), a wholly owned subsidiary of Navios Holdings, was also formed on that date to act as the general partner of Navios Partners and received a 2% general partner interest in Navios Partners. Navios Partners is an affiliate and is not consolidated under Navios Holdings.

Navios Logistics

Navios Logistics is one of the largest logistics companies in the Hidrovia region of South America, serving the storage and marine transportation needs of its customers through its port terminals, river and coastal cabotage operations.

On January 1, 2008, pursuant to a share purchase agreement, Navios Holdings contributed (i) $112.2 million in cash; and (ii) the authorized capital stock of its wholly owned subsidiary Corporation Navios Sociedad Anonima (CNSA) in exchange for the issuance and delivery of 12,765 shares of Navios Logistics, representing 63.8% (or 67.2% excluding contingent consideration) of its outstanding stock. Navios Logistics acquired all ownership interests in Horamar in exchange for (i) $112.2 million in cash, of which $5.0 million was kept in escrow, payable upon the attainment of certain EBITDA targets during specified periods through December 2008 (the EBITDA Adjustment); and (ii) the issuance of 7,235 shares of Navios Logistics representing 36.2% (or 32.8% excluding contingent consideration) of Navios Logistics outstanding stock, of which 1,007 shares were held in escrow pending attainment of certain EBITDA targets. In November 2008, $2.5 million in cash and 503 shares were released from escrow when Horamar achieved the interim EBITDA target.

Table of Contents

On March 20, 2009, August 19, 2009, and December 30, 2009, the agreement pursuant to which Navios Logistics acquired CNSA and Horamar was amended to postpone until June 30, 2010 the date for determining whether the EBITDA target was achieved. On June 17, 2010, $2.5 million in cash and the 504 shares remaining in escrow were released from escrow upon the achievement of the EBITDA target threshold. Navios Holdings currently owns 63.8% of Navios Logistics.

For a more detailed discussion about the Navios Logistics segment, please see Exhibit 99.1 to this Form 6-K.

Navios Acquisition

On July 1, 2008, the Company completed the initial public offering (IPO) of its subsidiary, Navios Acquisition. At the time of the IPO, Navios Acquisition was a blank check company. In the offering, Navios Acquisition sold 25,300,000 units for an aggregate purchase price of $253.0 million. Simultaneously with the completion of the IPO, the Company purchased private placement warrants of Navios Acquisition for an aggregate purchase price of $7.6 million (Private Placement Warrants). Navios Acquisition, at the time, was not a controlled subsidiary of the Company but was accounted for under the equity method due to the Company s significant influence over Navios Acquisition.

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 plus options to purchase two additional product tankers) for an aggregate purchase price of $457.7 million, of which $128.7 million was paid from existing cash and the $329.0 million balance was paid with existing and new financing pursuant to the terms and conditions of 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.

Navios Holdings 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 exchanged 7,676,000 shares of Navios Acquisition s common stock it held for non-voting Series C preferred stock of Navios Acquisition (the Navios Acquisition Share Exchange) 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. 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 has been considered an affiliate entity of Navios Holdings and not a controlled subsidiary of the Company, and the investment in Navios Acquisition has been accounted for under the equity method due to the Company s significant influence over Navios Acquisition. Navios Acquisition is now accounted for under the equity method of accounting based on Navios Holdings economic interest in Navios Acquisition, which was 53.7% from March 30, 2011 until September 30, 2011 since the preferred stock is considered to be, in-substance, common stock for accounting purposes. See Recent Developments above for a discussion of recent changes to Navios Holdings voting power and economic interest in Navios Acquisition.

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 were 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.

Fleet

The following is the current core fleet employment profile (excluding Navios Logistics), including the newbuilds to be delivered, as of November 17, 2011. The current core fleet consists of 56 vessels totaling 5.8 million dwt. The 43 vessels in current operation aggregate approximately 4.5 million dwt and have an average age of 5.0 years. Navios Holdings has currently fixed 99.7%, 68.4% and 41.5% of its 2011, 2012 and 2013 available days, respectively, of its fleet (excluding vessels which are utilized to fulfill COAs), representing contracted fees (net of commissions), based on contracted charter rates from its current charter agreements of $312.4 million, $244.7 million and $177.4 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 $25,050, $25,586 and $30,023 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 COAs) for 2011 is estimated at $10,601.

Table of Contents

Owned Vessels

Vessels	Type	Built	DWT	Charter-out Rate(1)	Profit Share (5)	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	10,830	No	04/14/2012
Navios Horizon	Ultra Handymax	2001	50,346	10,925	No	12/19/2011
Navios Herakles	Ultra Handymax	2001	52,061	13,775	No	02/15/2012
Navios Achilles	Ultra Handymax	2001	52,063	25,521(7)	65%/$20,000 after March 2012	11/17/2013
Navios Meridian	Ultra Handymax	2002	50,316	14,250	No	03/19/2012
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	12,350	No	12/25/2011
Navios Hios	Ultra Handymax	2003	55,180	13,300	No	03/28/2012
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	12,825	No	11/18/2012
Navios Magellan	Panamax	2000	74,333	22,800	No	03/28/2012
Navios Star	Panamax	2002	76,662	16,958	No	12/04/2012
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 2012	05/24/2014
Navios Lumen	Capesize	2009	180,661	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	17,005	No	11/27/2012(8)
Navios Antares	Capesize	2010	169,059	37,590(9)	No	01/19/2015
				45,875(9)	No	01/19/2018
	Capesize	2010	179,259	29,356	50%/$38,500	10/28/2020

Navios Buena Ventura						
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) 25,025(7)	50%/$32,000 after March 2012	12/16/2013 07/17/2022
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	09/14/2022

Owned Vessels to be Delivered

Vessels	Type	Date	DWT	Charter-out Rate(1)(10)
Navios Centaurus	Panamax	03/2012	81,600	12,825
Navios Avior	Panamax	04/2012	81,600	12,716

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	13,300	10/07/2012
Navios Armonia	Ultra Handymax	2008	55,100	No	13,894	02/17/2012
Navios Serenity	Handysize	2011	34,718	Yes (4)	10,756	07/28/2012
Navios Orion	Panamax	2005	76,602	No	49,400	12/14/2012

Table of Contents

Vessels	Type	Built	DWT	Purchase Option[3]	Charter-out Rate[1]	Expiration Date[2]
Navios Titan	Panamax	2005	82,936	No	19,000	11/09/2012
Navios Altair	Panamax	2006	83,001	No	13,063	09/05/2012
Navios Esperanza	Panamax	2007	75,356	No	14,513	02/19/2013
Navios Marco Polo	Panamax	2011	80,647	Yes	12,350	12/30/2011
Torm Antwerp	Panamax	2008	75,250	Yes		
Golden Heiwa	Panamax	2007	76,662	No		
Beaufiks	Capesize	2004	180,310	Yes		
Rubena N	Capesize	2006	203,233	No		
SC Lotta	Capesize	2009	169,056	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 Lyra	Handysize	09/2012	Yes [4]	34,718
Navios Koyo	Capesize	12/2011	Yes	181,000
Navios Obeliks	Capesize	07/2012	Yes	180,000
Navios TBN	Capesize	12/2013	Yes	180,000
Navios Oriana	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
Navios TBN	Panamax	01/2013	Yes	82,100
Navios TBN	Panamax	07/2013	Yes [4]	80,500
Navios TBN	Panamax	09/2013	Yes [4]	80,500
Navios TBN	Panamax	11/2013	Yes [4]	80,500

Options to Acquire Vessels

Vessels	Type	Delivery Date	DWT
Navios TBN	Panamax	H2/2013	82,000
Navios TBN	Panamax	H2/2013	82,000
Navios TBN	Panamax	H1/2014	82,000
Navios TBN	Panamax	H1/2014	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 is 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.

(10) The charter period is two years from delivery of each vessel.

Table of Contents

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 it has taken into its fleet under charters having a duration of more than 12 months) for periods up to 12 years at inception to various shipping industry counterparties considered by Navios Holdings to have appropriate credit profiles. By doing this, Navios Holdings aims to lock in, subject to credit and operating risks, favorable forward revenue and cash flows which it believes will cushion it against unfavorable market conditions. In addition, Navios Holdings trades additional vessels taken in on shorter term charters of less than 12 months duration as well as voyage charters or COAs and forward freight agreements (FFAs).

In 2008 and 2009, this policy had the effect of generating Time Charter Equivalents (TCE) that, while high by the average historical levels of the drybulk freight market over the last 30 years, were below those which could have been earned had the Navios Holdings fleet been operated purely on short-term and/or spot employment. In 2010 and during the nine month period ended September 2011, this chartering policy had the effect of generating TCE that were higher than spot employment.

The average daily charter-in vessel cost for the Navios Holdings long-term charter-in fleet (excluding vessels, which are utilized to serve voyage charters or COAs) was $10,354 per day for the nine month period ended September 30, 2011. The average long-term charter-in hire rate per vessel is included in the amount of long-term hire included elsewhere in this document and was computed by (a) multiplying (i) the daily charter-in rate for each vessel by (ii) the number of days the vessel is in operation for the year and (b) dividing such product by the total number of 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 at favorable prices relative to the current market exercisable in the future.

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

Navios Holdings currently owns 63.8% of Navios Logistics. 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. 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 in Navios Logistics would be adversely affected.

Factors Affecting Navios Holdings Results of Operations

We believe the principal factors that will affect our 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 our vessels engage in business. Please read Risk Factors included in Navios Holdings 2010 annual report on Form 20-F filed with the Securities and Exchange Commission for a discussion of certain risks inherent in our 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 voyage charter or 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 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 5.8 million dwt in drybulk tonnage. Navios Holdings options to extend the charter duration of vessels it has under long-term time charter (durations of over 12 months) and its purchase options on chartered vessels permit Navios Holdings to adjust the cost and the fleet size to correspond to market conditions.

Table of Contents

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

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

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

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

Equivalent vessels: Equivalent vessels data is 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 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. In general, a long-term time charter assures the vessel owner of a consistent stream of revenue. Operating the vessel in the spot market affords the owner greater spot market opportunity, which may result in high rates when vessels are in high demand or low rates when vessel availability exceeds demand. Vessel charter rates are affected by world economics, international events, weather conditions, strikes, governmental policies, supply and demand, and many other factors that might be beyond the control of management.

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

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

The cost to maintain and operate a vessel increases with the age of the vessel. Older vessels are less fuel efficient, cost more to insure and require upgrades from time to time to comply with new regulations. The average age of Navios Holdings owned core fleet is 5.6 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.

Table of Contents

Spot Charters, Contracts of Affreightment (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 backhaul cargo contracts.

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

As of September 30, 2011 and December 31, 2010, none of Navios Holdings FFAs qualified for hedge accounting treatment. Drybulk FFAs traded by Navios Holdings that do not qualify for hedge accounting are shown at fair value in the balance sheet and changes in fair value are recorded in the statement of operations.

FFAs cover periods generally ranging from one month to one year and are based on time charter rates or freight rates on specific quoted routes. FFAs are executed either over-the-counter, between two parties, or through NOS ASA, a Norwegian clearing house, and LCH, the London clearing house. FFAs are settled in cash monthly based on publicly quoted indices.

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

At the end of each calendar quarter, the fair value of drybulk shipping FFAs traded over-the-counter are determined from an index published in London, United Kingdom and the fair value of those FFAs traded with NOS ASA and LCH are determined from the NOS ASA and LCH valuations accordingly. Navios Holdings has implemented specific procedures designed to respond to credit risk associated with over-the-counter trades, including the establishment of a list of approved counterparties and a credit committee which meets regularly.

Statement of Operations Breakdown by Segment

Navios Holdings reports financial information and evaluates its operations by charter revenues and not by vessel type, length of ship employment, customers or type of charter. Navios Holdings does not use discrete financial information to evaluate the operating results for each such type of charter. Although revenue can be identified for these types of charters, management does not identify expenses, profitability or other financial information for these charters. The reportable segments reflect the internal organization of the Company and are strategic businesses that offer different products and services. The Company has three reportable segments from which it derives its revenues: Drybulk Vessel Operations, Tanker Vessel Operations and Logistics Business. The Drybulk Vessel Operations business consists of transportation and handling of bulk cargoes through ownership, operation, and trading of vessels, freight, and FFAs. For Navios Holdings reporting purposes, Navios Logistics is considered as one reportable segment, the Logistics Business segment. The Logistics Business segment consists of our port terminal business, barge business and cabotage business in the Hidrovia region of South America. Following the formation of Navios Acquisition in 2010, the Company included an additional reportable segment, the Tanker Vessel Operations business, which consists of transportation and handling of liquid cargoes through ownership, operation, and trading of tanker vessels. Navios Holdings measures segment performance based on net income. From March 30, 2011, following the Navios Acquisition deconsolidation, this segment no longer exists.

For a more detailed discussion about Navios Logistics segment, refer to Exhibit 99.1 to this Form 6-K.

Period over Period Comparisons

For the Three Month Period Ended September 30, 2011 compared to the Three Month Period Ended September 30, 2010

The following table presents consolidated revenue and expense information for the three month periods ended September 30, 2011 and 2010. This information was derived from the unaudited condensed consolidated revenue and expense accounts of Navios Holdings for the respective periods.

(Expressed in thousands of U.S. dollars)	Three Month Period Ended September 30, 2011 (unaudited)	Three Month Period Ended September 30, 2010 (unaudited)
Revenue	$ 173,810	$ 170,177
Time charter, voyage and port terminal expenses	(73,162)	(69,392)
Direct vessel expenses	(28,236)	(26,212)
General and administrative expenses	(12,436)	(20,005)
Depreciation and amortization	(24,622)	(23,864)
Interest income/expense and finance cost, net	(24,272)	(22,487)
Loss on derivatives	(3)	(37)
Gain on sale of assets	35	
Other expense, net	(3,437)	(3,799)
Income before equity in net earnings of affiliated companies	**7,677**	**4,381**
Equity in net earnings of affiliated companies	7,956	9,661
Income before taxes	**15,633**	**14,042**
Income tax benefit/(expense)	317	(244)
Net income	**15,950**	**13,798**
Less: Net loss attributable to the noncontrolling interest	340	842
Net income attributable to Navios Holdings common stockholders	**$ 16,290**	**$ 14,640**

Set forth below are selected historical and statistical data for Navios Holdings for each of the three month period ended September 30, 2011 and 2010 that the Company believes may be useful in better understanding the Company s financial position and results of operations.

	Three Month Period Ended September 30, 2011	2010
FLEET DATA		
Available days	4,096	4,032
Operating days	4,070	4,024
Fleet utilization	99.4%	99.8%
Equivalent vessels	45	44
AVERAGE DAILY RESULTS		
Time Charter Equivalents	$22,884	$24,598

During the three month period ended September 30, 2011, there were 64 more available days as compared to the same period of 2010 due to an increase of 371 available days of owned vessels mainly attributable to the delivery of the owned newbuilding vessels at various times during 2010 and first quarter of 2011. This increase was partially offset by a decrease in short and long term fleet available days by 181 days and 126 days, respectively. Navios Holdings can increase or decrease its fleet s size by chartering-in vessels for long or short-term periods (less than one year).

The average TCE rate for the three month period ended September 30, 2011 was $22,884 per day, $1,714 per day lower than the rate achieved in the same period of 2010. This was primarily due to the slowdown in the freight market resulting in lower charter-out daily rates in the third quarter of 2011 than those achieved in the third quarter of 2010.

Revenue: Revenue from drybulk vessel operations for the three months ended September 30, 2011 was $105.0 million as compared to $106.8 million for the same period during 2010. The decrease in drybulk revenue was mainly attributable to (i) a decrease in short-term charter-in and long-term charter-in fleet available days by 181 days and 127 days, respectively, and (ii) a decrease in TCE rate per day by 7.0% to $22,884 per day in the third quarter of 2011 as compared to $24,598 per day in the same period of 2010. This decrease was partially offset by an increase in available days for owned vessels by 17.5% to 2,489 days in the third quarter of 2011 from 2,118 days in the same period of 2010.

Revenue from the logistics business was $68.8 million for the three months ended September 30, 2011 as compared to $55.3 million for the same period of 2010. This increase was mainly attributable to (i) the new vessels, the Stavroula and the San San H (formerly known as the Jiujiang), which commenced operations in October 2010 and March 2011, respectively; and (ii) an increase in volumes of iron ore transportation. This increase was partially offset by a decrease in volumes moved in the dry port terminal.

Following Navios Acquisition Share Exchange, and the deconsolidation of Navios Acquisition on March 30, 2011, there was no revenue from tanker vessel operations for the three months ended September 30, 2011. During the corresponding period of 2010, revenue from tanker vessel operations for the three month period ended September 30, 2010 was $8.1 million. Following the delivery of certain product tankers, the Ariadne Jacob on July 2, 2010 and the Colin Jacob on June 29, 2010, and the VLCC Acquisition on September 10, 2010, Navios Acquisition had 308 available days at a TCE rate of $26,129.

Time Charter, Voyage and Port Terminal Expenses: Time charter, voyage and port terminal expenses increased by $3.8 million or 5.5% to $73.2 million for the three month period ended September 30, 2011, as compared to $69.4 million for same period in 2010. Of the total amounts for the three month period ended September 30, 2011 and 2010, $35.0 million and $23.8 million, respectively, related to Navios Logistics. This increase was mainly due to (a) an increase in Paraguayan liquid port s volume and in an increase of the price of products sold; and (b) an increase in volumes of iron ore transportation. This increase in Navios Logistics was partially offset by a decrease in the fuel expenses of the cabotage vessels due to employment under time charter contracts.

The drybulk time charter, voyage and port terminal expenses decreased by $7.3 million or 16.0% to $38.2 million for the three month period ended September 30, 2011, as compared to $45.5 million for the same period in 2010. This was primarily due to a decrease in the short-term and long-term fleet activity (as discussed above).

Following Navios Acquisition Share Exchange, and the deconsolidation of Navios Acquisition on March 30, 2011, there was no time charter, voyage and port terminal expenses from tanker vessel operations for the three month period ended September 30, 2011. During the corresponding period of 2010, time charter, voyage and port terminal expenses were below $0.1 million.

Direct Ve