

Navios Maritime Holdings Inc.  
Form 6-K  
August 25, 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: August 25, 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 six month periods ended June 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, 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***

On August 17, 2015, the Board of Directors declared a quarterly cash dividend for the second quarter of 2015 of \$0.06 per share of common stock. The dividend is payable on September 25, 2015 to stockholders of record as of September 18, 2015. 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 after taking into account market opportunities, restrictions under its credit agreements, indentures and other debt obligations and such other factors as the Board may deem advisable.

### ***Navios Europe II Inc. ( Navios Europe II )***

Navios Holdings, Navios Maritime Acquisition Corporation ( Navios Acquisition ) and Navios Maritime Partners L.P. ( Navios Partners ) formed Navios Europe II Inc. and completed the transaction for the acquisition of 14 vessels from debtors of HSH Nordbank AG.

The 14 vessels include seven dry bulkers and seven container vessels with an average age of approximately four years and a current fair market value of approximately \$225.0 million. All of the vessels have been delivered, except for one that is expected to be delivered within Q3 2015.

*Dividends from Affiliates*

On August 14, 2015, Navios Holdings received \$8.1 million from Navios Maritime Partners L.P. ( Navios Partners ) representing the cash distribution for the second quarter of 2015.

On July 2, 2015, Navios Holdings received \$3.6 million from Navios Maritime Acquisition Corporation ( Navios Acquisition ) representing the cash dividend for the first quarter of 2015.

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### ***Common and Preferred Stock***

Navios Holdings had outstanding as of June 30, 2015 and December 31, 2014, 107,835,547 and 105,831,718 shares of common stock, respectively, and 74,229 (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 6,229 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.

### ***Navios South American Logistics Inc. ( Navios Logistics )***

On June 30, 2015, Navios Logistics agreed to extend the repayment period of its capital leases of the vessels Ferni H and San San H for four years up to January 2020 and April 2020, respectively. As a result, Navios Logistics deferred its obligation to purchase the two vessels from 2016 to 2020.

## **Overview**

### **General**

Navios Holdings is a global, vertically integrated seaborne shipping and logistics company focused on the transport and transshipment of dry bulk commodities, including iron ore, coal and grain. Navios Holdings technically and commercially manages its owned fleet, Navios Acquisition's 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's 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 42.9% and its economic interest in Navios Acquisition is 46.1%.

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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 June 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 six 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.

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The following is the current core fleet employment profile (excluding Navios Logistics), including the newbuilds to be delivered. The current core fleet consists of 63 vessels totaling 6.3 million dwt. The employment profile of the fleet as of August 17, 2015 is reflected in the tables below. The 57 vessels in current operation aggregate approximately 5.6 million dwt and have an average age of 7.8 years. Navios Holdings has currently fixed 89.1% and 12.1% 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), based on contracted charter rates from our current charter agreements of \$124.0 million and \$17.5 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 \$8,431 and \$18,549 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 \$13,287.

**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 8.7 years. Of the 40 owned vessels, 38 are currently in operation and two newbuilding owned vessels are expected to be delivered in the first quarter of 2016.

Vessels	Type	Built	DWT	Charter-out Rate <sup>(1)</sup>	Profit Share	Expiration Date <sup>(2)</sup>
Navios Serenity	Handysize	2011	34,690	7,600	No	12/9/2015
Navios Ionian	Ultra Handymax	2000	52,067	7,600	No	11/30/2015
Navios Celestial	Ultra Handymax	2009	58,063	8,075	No	1/7/2016
Navios Vector	Ultra Handymax	2002	50,296	7,363	No	8/30/2015
Navios Horizon	Ultra Handymax	2001	50,346	6,650	No	9/20/2015
Navios Herakles	Ultra Handymax	2001	52,061	15,200	No	8/24/2015
Navios Achilles	Ultra Handymax	2001	52,063	8,788	No	11/23/2015
Navios Meridian	Ultra Handymax	2002	50,316	11,020	No	8/31/2015
Navios Mercator	Ultra Handymax	2002	53,553	7,125	No	8/17/2015
Navios Arc	Ultra Handymax	2003	53,514	7,600	No	10/26/2015
Navios Hios	Ultra Handymax	2003	55,180	6,650	No	09/10/2015
Navios Kypros	Ultra Handymax	2003	55,222	6,800	98% of average Supramax Index 6TC Routes	8/27/2015 2/27/2016
Navios Ulysses	Ultra Handymax	2007	55,728	6,575	Average Supramax Index 6TC Routes	8/23/2015 2/23/2016
Navios Vega	Ultra Handymax	2009	58,792	7,401	Pool earnings +7%	8/1/2015 11/17/2015
Navios Astra	Ultra Handymax	2006	53,468	7,125	No	12/9/2015
Navios Magellan	Panamax	2000	74,333	5,514	Weighted average basis Panamax Index Routes +4%	8/24/2015 1/10/2016





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Navios Star	Panamax	2002	76,662	7,030	No	1/24/2016
Navios Asteriks	Panamax	2005	76,801	7,838	No	11/22/2015
Navios Centaurus	Panamax	2012	81,472	7,410	No	10/24/2015
Navios Avior	Panamax	2012	81,355	7,509	Weighted average basis Panamax Index Routes +16.5%	8/18/2015 5/1/2016
Navios Galileo	Panamax	2006	76,596	5,700	No	12/29/2015
Navios Northern Star	Panamax	2005	75,395	6,888	No	2/28/2016
Navios Amitie	Panamax	2005	75,395	7,030	No	2/2/2016
Navios Taurus	Panamax	2005	76,596	7,090	Weighted average basis Panamax Index 4TC Routes +10%	8/18/2015 2/21/2016
N Amalthia	Panamax	2006	75,318	6,978	No	8/29/2015
N Bonanza	Panamax	2006	76,596	6,270	No	10/1/2015
Navios Bonavis	Capesize	2009	180,022	13,110	No	2/5/2017
Navios Happiness	Capesize	2009	180,022	16,400	No	9/14/2015
Navios Lumen	Capesize	2009	180,661	8,340	\$5,000 +50% weighted average Baltic Capesize Index 5TC Index Routes	8/23/2015 4/28/2016
Navios Stellar	Capesize	2009	169,001	16,400	No	9/17/2015
Navios Phoenix	Capesize	2009	180,242	11,070	\$8,000 +50% weighted average Baltic Capesize Index 5TC Index Routes	8/31/2015 12/21/2015 <sup>(5)</sup>
Navios Antares	Capesize	2010	169,059	7,800	\$5,200 +47.5% of the basis Baltic Capesize Index average 4TC Index Routes	8/31/2015 2/17/2016
Navios Etoile	Capesize	2010	179,234	29,356	No	12/2/2020
Navios Bonheur	Capesize	2010	179,259	9,461	\$6,300 +50% weighted average Baltic Capesize Index 5TC Index Routes	8/25/2015 1/26/2016
Navios Altamira	Capesize	2011	179,165	22,325	No	01/16/2016
Navios Azimuth	Capesize	2011	179,169	10,450	No	03/15/2016
Navios Gem	Capesize	2014	181,336	11,202	\$7,750 +55% weighted average Baltic Capesize Index 5TC Index Routes	9/1/2015 02/04/2016
Navios Ray	Capesize	2012	179,515	9,324	\$6,300 +50% weighted average Baltic Capesize	8/25/2015 01/28/2016

**Owned Fleet to be Delivered**

<b>Vessels</b>	<b>Vessel Type</b>	<b>Delivery Date</b>	<b>Deadweight (in metric tons)</b>
Navios Sphera	Panamax	Q1 2016	84,000
Navios TBN	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 six Capesize, 11 Panamax, five Ultra Handymax, and one Handysize vessels under long-term charter-in contracts, which have an average age of approximately 6.0 years. Of the 23 chartered-in vessels, 19 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 <sup>(3)</sup>	Charter-out Rate <sup>(1)</sup>	Expiration Date <sup>(2)</sup>
Navios Lyra	Handysize	2012	34,718	Yes <sup>(4)</sup>	5,700	10/6/2015
Navios Primavera	Ultra Handymax	2007	53,464	Yes	7,600	12/28/2015
Navios Apollon	Ultra Handymax	2000	52,073	No	7,600	11/23/2015
Navios Oriana	Ultra Handymax	2012	61,442	Yes	10,773	8/21/2015
Navios Mercury	Ultra Handymax	2013	61,393	Yes	8,550	12/25/2015
Navios Venus	Ultra Handymax	2015	61,339	Yes	10,925	8/31/2015
Navios Libra II	Panamax	1995	70,136	No	9,500	9/20/2015
Navios Esperanza	Panamax	2007	75,356	No	6,793	11/10/2015
Navios Marco Polo	Panamax	2011	80,647	Yes	9,081 <sup>(7)</sup>	8/8/2015
					<sup>(7)</sup>	5/23/2016
Navios Southern Star	Panamax	2013	82,224	Yes	8,894 <sup>(9)</sup>	8/12/2015
					<sup>(10)</sup>	6/28/2016
Navios Aldebaran	Panamax	2008	76,500	Yes	8,650 <sup>(8)</sup>	8/24/2015
					<sup>(8)</sup>	6/8/2016
Navios Sky	Panamax	2015	82,056	Yes	7,059 <sup>(11)</sup>	8/6/2015
					<sup>(11)</sup>	2/22/2016
Navios Amber	Panamax	2015	80,994	Yes	8,286 <sup>(12)</sup>	8/11/2015
					<sup>(12)</sup>	5/27/2016
Navios Koyo	Capesize	2011	181,415	Yes	7,895	8/5/2015
					<sup>(6)</sup>	4/7/2016
Golden Heiwa	Panamax	2007	76,662	No		
Beaufiks	Capesize	2004	180,310	Yes		
Rubena N	Capesize	2006	203,233	No		
King Ore	Capesize	2010	176,800	No		
Navios Obeliks	Capesize	2012	181,415	Yes		

**Long-term Chartered-in Vessels to be Delivered**

Vessels

Type

DWT

		<b>Delivery Date</b>	<b>Purchase Option</b>	
Navios TBN	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

- (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) Based on weighted average Panamax Index 4TC Routes +13%.
- (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%.

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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 dry bulk 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 ).

In 2014 and through June 30, 2015, this chartering policy had the effect of generating an aggregate Time Charter Equivalent ( TCE ) rate that was 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 \$13,380 per day for the six month period ended June 30, 2015. The average long-term charter-in hire rate per vessel per day was 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 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.

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.*

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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 6.3 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.

*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



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

## **COAs and Forward Freight Agreements (FFAs)**

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

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

## **Statement of Operations Breakdown by Segment**

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

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**Period over Period Comparisons**

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

The following table presents consolidated revenue and expense information for the three month periods ended June 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.