

Navios Maritime Partners L.P.
Form F-3
January 12, 2017
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As filed with the Securities and Exchange Commission on January 12, 2017

Registration Statement No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM F-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

NAVIOS MARITIME PARTNERS L.P.

(Exact name of registrant as specified in its charter)

Republic of the Marshall Islands (State or other jurisdiction of	4412 (Primary Standard Industrial	N/A (I.R.S. Employer
incorporation or organization)	Classification Code Number)	Identification No.)

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(Address and telephone number of Registrant's principal executive offices)

Trust Company of the Marshall Islands, Inc.

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(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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(212) 908-3946 (telephone number)

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

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If any of the securities being registered on this Form are being offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

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

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

If this Form is a post-effective amendment pursuant to General Instruction I.C. or a post-effective amendment filed pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered⁽¹⁾	Proposed Maximum Aggregate Offering Price⁽²⁾⁽³⁾	Amount of Registration Fee⁽⁴⁾
Common units representing limited partnership interests	(5)	
Debt Securities	(5)	
Total	\$172,510,000	\$19,994

- (1) There are being registered hereunder such indeterminate number of common units and such indeterminate number of debt securities as shall have an aggregate initial offering price not to exceed \$500,000,000. If any debt securities are issued at an original issue discount, then the offering price of such debt securities shall be in such greater principal amount as shall result in an aggregate initial offering price not to exceed \$500,000,000, less the aggregate dollar amount of all securities previously issued hereunder.
- (2) In United States dollars or the equivalent thereof in any other currency, currency unit or units, or composite currency or currencies.
- (3) The proposed maximum aggregate offering prices per class of security will be determined from time to time by the registrant in connection with the issuance by the registrant of the securities registered hereunder.
- (4) Calculated in accordance with Rule 457(o) under the Securities Act of 1933, as amended (the "Securities Act"). In addition to the \$172,510,000 of securities set forth in the table above, pursuant to Rule 415(a)(6) under the Securities Act, this registration statement includes \$327,490,000 of unsold securities (the "Unsold Securities") that had previously been registered under the company's registration statement on Form F-3 (333-192176) filed with the Securities and Exchange Commission on November 7, 2013 (the "Prior Registration Statement") for a total of

\$500,000,000 of securities that may be issued under this registration statement. Pursuant to Rule 415(a)(6) under the Securities Act, \$25,464 of filing fees previously paid in connection with the Unsold Securities will continue to be applied to the Unsold Securities that are being carried forward to this registration statement. In accordance with Securities and Exchange Commission rules, the registrant may continue to offer and sell the Unsold Securities during the grace period afforded by Rule 415(a)(5). If the registrant sells any Unsold Securities during the grace period, the registrant will identify in a pre-effective amendment to this registration statement the new amount of Unsold Securities to be carried forward to this registration statement in reliance upon Rule 415(a)(6) and any filing fee paid in connection with such Unsold Securities and the amount of any new securities to be registered. Pursuant to Rule 415(a)(6) of the Securities Act, the offering of the Unsold Securities registered under the Prior Registration Statement will be deemed terminated as of the date of effectiveness of this registration statement.

- (5) Not required to be included in accordance with General Instruction II.C of Form F-3.

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

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

SUBJECT TO COMPLETION, DATED JANUARY 12, 2017

PROSPECTUS

\$500,000,000

NAVIOS MARITIME PARTNERS L.P.

COMMON UNITS

REPRESENTING LIMITED PARTNERSHIP INTERESTS

DEBT SECURITIES

We may, from time to time, issue up to \$500,000,000 aggregate principal amount of common units and/or debt securities. We will specify in an accompanying prospectus supplement the terms of the securities. We may sell these securities to or through underwriters and also to other purchasers or through agents. We will set forth the names of any underwriters or agents in the accompanying prospectus supplement. Our common units are listed on the New York Stock Exchange under the symbol NMM. On January 11, 2017, the last reported sales price of our common units on the New York Stock Exchange was \$1.58 per common unit.

Investing in our common units involves risks that are described in the Risk Factors section beginning on page 4 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus may not be used to consummate sales of securities unless it is accompanied by a prospectus supplement.

The date of this prospectus is _____, 2017.

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You should rely only on the information contained in or incorporated by reference into this prospectus. We have not, and the underwriters have not, authorized anyone to provide you with additional information or information different from that contained in or incorporated by reference into this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (the SEC), utilizing a shelf registration process. Under this shelf process, we may sell any combination of the securities described in this prospectus in one or more offerings up to a total dollar amount of U.S.\$500,000,000. We have provided to you in this prospectus a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. In any applicable prospectus supplements, we may add to, update or change any of the information contained in this prospectus.

References in this prospectus to Navios Maritime Partners L.P., the Company, we, our, us or similar terms when used for periods prior to our initial public offering on November 16, 2007 refer to the assets of Navios Maritime Holdings Inc. (Navios Holdings), and its vessels and vessel-owning subsidiaries that were sold or contributed to Navios Maritime Partners L.P. and its subsidiaries in connection with the initial public offering.

References in this prospectus to Navios Maritime Partners L.P., the Company, we, our, us or similar terms when used in a present tense or for historical periods since November 16, 2007 refer to Navios Maritime Partners L.P. and its subsidiaries. References in this prospectus to Navios Holdings refer, depending on the context, to Navios Holdings and its subsidiaries, including Navios ShipManagement Inc. (Navios ShipManagement); *provided, however*, it shall not include Navios Maritime Partners L.P. to the extent it may otherwise be deemed a subsidiary. Navios ShipManagement (an affiliate of our general partner) manages the commercial and technical operation of our fleet pursuant to a management agreement and provides administrative services to us pursuant to an administrative services agreement. References in this prospectus supplement to our IPO refer to our initial public offering, which was consummated on November 16, 2007.

You should read carefully this prospectus, any prospectus supplement, and the additional information described below under the heading Where You Can Find More Information. You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

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SUMMARY

The following summary highlights selected information contained elsewhere in this prospectus and the documents incorporated by reference, and does not contain all the information you will need in making your investment decision. You should carefully read this entire prospectus, any accompanying prospectus supplement, and the documents incorporated by reference herein and therein.

*We urge you to carefully read this entire prospectus and the documents incorporated by reference herein, including our financial statements and the related notes and the information in the section entitled *Management's Discussion and Analysis of Financial Condition and Results of Operations*. As an investor or prospective investor, you should also review carefully the sections entitled *Cautionary Statement Regarding Forward-Looking Statements* and *Risk Factors* in this prospectus and in our Annual Report on Form 20-F for the year ended December 31, 2015, which is incorporated by reference herein. Unless otherwise indicated, all data regarding our fleet and the terms of our charters in this prospectus is as of January 11, 2017.*

Overview

Navios Maritime Partners L.P. is a publicly traded master limited partnership that owns and operates container and dry cargo vessels, which was formed on August 7, 2007 under the laws of the Republic of the Marshall Islands by Navios Holdings, a vertically integrated seaborne shipping and logistics company with over 55 years of operating history in the drybulk shipping industry. Navios GP L.L.C., our 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.

On February 3, 2016, Navios Partners announced that its board of directors decided to suspend the quarterly cash distributions to its unitholders. We did not declare any cash distributions for the quarters ended December 31, 2015, March 31, 2016, June 30, 2016 and September 30, 2016.

Our Fleet

Our fleet consists of twelve Panamax vessels, nine Capesize vessels, three Ultra-Handymax vessels, and eight Container vessels, including one Container vessel, which we agreed to sell in June 2016, and one Capesize vessel, which was delivered in December 2016. The average age of the vessels in our fleet is approximately the average age of the world drybulk fleet. Our combined fleet had an average age of 9.7 years as of January 11, 2017 (average age of 9.8 years for drybulk fleet and 9.4 years for containers fleet).

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The following table provides summary information about our fleet:

Owned Drybulk Vessels	Type	Built	Capacity (DWT)	Charter Expiration Date⁽²⁾	Charter-Out Rate⁽¹⁾
Navios Apollon	Ultra-Handymax	2000	52,073	May 2017	\$ 6,650
Navios Soleil	Ultra-Handymax	2009	57,337	June 2017	\$ 7,553
Navios La Paix	Ultra-Handymax	2014	61,485	February 2017	\$ 125% of pool earnings
Navios Gemini S	Panamax	1994	68,636	March 2017	\$ 3,088
Navios Libra II	Panamax	1995	70,136	March 2017	\$ 10,395
Navios Felicity	Panamax	1997	73,867	April 2017	\$ 4,750
Navios Galaxy I	Panamax	2001	74,195	February 2018	\$ 21,938
Navios Hyperion	Panamax	2004	75,707	May 2017	\$ 7,600
Navios Alegria	Panamax	2004	76,466	April 2017	\$ 6,413
Navios Orbiter	Panamax	2004	76,602	December 2018	\$ Index ⁽³⁾
Navios Helios	Panamax	2005	77,075	December 2017	\$ 6,935
Navios Sun	Panamax	2005	76,619	November 2018	\$ Index ⁽³⁾
Navios Hope	Panamax	2005	75,397	November 2018	\$ Index ⁽³⁾
Navios Sagittarius	Panamax	2006	75,756	November 2018	\$ 26,125
Navios Harmony	Panamax	2006	82,790	May 2017	\$ 4,750 + Index ⁽⁴⁾
Navios Fantastiks	Capesize	2005	180,265	January 2018	\$ 4,675 + Index ⁽⁵⁾
Navios Aurora II	Capesize	2009	169,031	August 2017	\$ Index ⁽⁶⁾
Navios Pollux	Capesize	2009	180,727	January 2017	\$ 100% of pool earnings
Navios Fulvia	Capesize	2010	179,263	February 2017	\$ 11,500
Navios Melodia	Capesize	2010	179,132	September 2022	\$ 29,356 ⁽⁷⁾
Navios Luz	Capesize	2010	179,144	December 2017	\$ 5,250 + Index ⁽⁸⁾
Navios Buena Ventura	Capesize	2010	179,259	December 2017	\$ Index ⁽⁹⁾
Navios Joy	Capesize	2013	181,389	February 2017	\$ 6,175
				March 2018	\$ 5,000 + Index ⁽⁸⁾
Navios Beaufiks	Capesize	2004	180,310	June 2017	\$ Index ⁽⁶⁾
Owned Container Vessels	Type	Built	TEU	Charter Expiration Date⁽²⁾	Charter-Out Rate⁽¹⁾
Hyundai Hongkong	Container	2006	6,800	December 2019	\$ 24,095
				December 2023	\$ 30,119 ⁽¹⁰⁾
Hyundai Singapore	Container	2006	6,800	December 2019	\$ 24,095
				December 2023	\$ 30,119 ⁽¹⁰⁾
Hyundai Tokyo	Container	2006	6,800	December 2019	\$ 24,095
				December 2023	\$ 30,119 ⁽¹⁰⁾
Hyundai Shanghai	Container	2006	6,800	December 2019	\$ 24,095
				December 2023	\$ 30,119 ⁽¹⁰⁾
Hyundai Busan	Container	2006	6,800	December 2019	\$ 24,095
				December 2023	\$ 30,119 ⁽¹⁰⁾
YM Utmost	Container	2006	8,204	August 2018	\$ 34,266

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YM Unity	Container	2006	8,204	October 2018	\$	34,266
MSC Cristina	Container	2011	13,100	January 2017	\$	60,275 ⁽¹¹⁾

- (1) Daily charter-out rate per day, net of commissions or settlement and insurance proceeds, where applicable.
- (2) Expected redelivery basis midpoint of full redelivery period, excluding Navios Partners extension options, not declared yet.

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- (3) Average BPI 4TC minus \$2,488 net per day.
- (4) 52% average BPI 4TC.
- (5) 50% average BCI 5TC.
- (6) \$9,480/day adjusted for 50% pool earnings or weighted average BCI 5TC.
- (7) Profit sharing 50% above \$37,500/day based on Baltic Exchange Capesize TC Average.
- (8) 52% average BCI 5TC.
- (9) 100% average BCI 5TC.
- (10) Upon acquisition, the vessels were fixed on ten/twelve year charters with Navios Partners option to terminate after year seven.
- (11) The vessel is to be delivered to the buyer by January 12, 2017.

Recent Developments

On November 14, 2016, the Company filed a Form 6-K disclosing its financial results for the third quarter and nine months ended September 30, 2016, which is incorporated by reference herein.

On November 23, 2016, the Company filed a Form 6-K disclosing that it had entered into a Continuous Offering Program Sales Agreement, dated November 18, 2016, with S. Goldman Capital LLC, as sales agent, pursuant to which the Company may issue and sell from time to time through the Agent common units representing limited partner interests having an aggregate offering price of up to \$25.0 million. Sales of the units are to be made pursuant to the Company's shelf registration statement, filed on Form F-3 (File No. 333-192176) with the SEC and declared effective on January 15, 2014.

On December 30, 2016, the Company acquired a 2004-built Capesize vessel from an unrelated third party for a total cash consideration of \$15.1 million.

On January 12, 2017, the Company sold the MSC Cristina to an unrelated third party for a sale price of \$125.0 million. In connection to the sale of this vessel, the Company fully repaid the outstanding balance of \$71.0 million of the credit facility with HSH Nordbank AG (the April 2015 Credit Facility).

On January 12, 2017, Navios Partners fully repaid the outstanding balance of \$29.0 million of the credit facility with ABN AMRO Bank N.V. (the April 2016 Credit Facility).

Corporate Information

We are incorporated under the laws of the Republic of the Marshall Islands. We maintain our principal executive offices at 7, Avenue de Grande Bretagne, Office 11B2 Monte Carlo MC 98000 Monaco. Our telephone number at that address is (011) + (377) 9798-2140. Our website address is www.navios-mlp.com. The information on our website is not a part of this prospectus.

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RISK FACTORS

Although many of our business risks are comparable to those a corporation engaged in a similar business would face, limited partner interests are inherently different from the capital stock of a corporation. You should carefully consider the following risk factors together with all of the other information included in this prospectus when evaluating an investment in our securities.

If any of the following risks actually occur, our business, financial condition, cash flows or operating results could be materially adversely affected. In that case, we might not be able to pay distributions on our common units, the trading price of our common units could decline, and you could lose all or part of your investment.

Risks Inherent in Our Business

We may not have sufficient cash from operations to enable us to pay quarterly distributions on our common units following the establishment of cash reserves and payment of fees and expenses or to reinstate distributions.

We may not have sufficient cash available to pay quarterly distributions or to reinstate distributions following the establishment of cash reserves and payment of fees and expenses. In February 2016, we announced that our board of directors decided to suspend the quarterly cash distributions to our unitholders, including the distribution for the quarter ended December 31, 2015, in order to conserve cash and improve our liquidity. Our ability to reinstate distributions will be at the discretion of our board of directors. The amount of cash we can distribute on our common units depends principally upon the amount of cash we generate from our operations, which may fluctuate based on numerous factors including, among other things:

the rates we obtain from our charters and the market for long-term charters when we recharter our vessels;

the level of our operating costs, such as the cost of crews and insurance, following the expiration of the fixed term of our management agreement pursuant to which we pay a fixed daily fee until December 2017;

the number of unscheduled off-hire days for our fleet and the timing of, and number of days required for, scheduled inspection, maintenance or repairs of submerged parts, or drydocking, of our vessels;

demand for dry cargo commodities;

supply of dry cargo vessels;

prevailing global and regional economic and political conditions;

natural or man made disasters that affect the ability of our vessels to use certain waterways;

the effect of governmental regulations and maritime self-regulatory organization standards on the conduct of our business; and

current charter rates are at historic lows and we cannot predict when this circumstance will change.

The actual amount of cash we will have available for distribution also will depend on other factors, some of which are beyond our control, such as:

the level of capital expenditures we make, including those associated with maintaining vessels, building new vessels, acquiring existing vessels and complying with regulations;

our debt service requirements and restrictions on distributions contained in our debt instruments;

interest rate fluctuations;

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the cost of acquisitions, if any;

fluctuations in our working capital needs;

our ability to make working capital borrowings, including the payment of distributions to unitholders; and

the amount of any cash reserves, including reserves for future maintenance and replacement capital expenditures, working capital and other matters, established by our board of directors in its discretion.

The amount of cash we generate from our operations may differ materially from our profit or loss for the period, which will be affected by non-cash items. As a result of this and the other factors mentioned above, we may make cash distributions during periods when we record losses and may not make cash distributions during periods when we record net income.

The cyclical nature of the international drybulk and container shipping industry may lead to decreases in charter rates and lower vessel values, resulting in decreased distributions to our common unitholders.

The shipping business, including the dry cargo market, is cyclical in varying degrees, experiencing severe fluctuations in charter rates, profitability and, consequently, vessel values. For example, during the period from January 1, 2015, to December 21, 2016, the Baltic Exchange's Panamax time charter average daily rates experienced a low of \$2,260 and a high of \$12,478. Additionally, during the period from January 1, 2015, to December 21, 2016, the Baltic Exchange's Capesize time charter average (BCI-4TCA 172,000 mt) daily rates experienced a low of \$485 and a high of \$20,063, and the Baltic Dry Index (BDI) experienced a low of 290 points and a high of 1,257 points. While the BDI was 926 as of December 21, 2016, there can be no assurance that the drybulk charter market will increase further, and the market could decline. We anticipate that the future demand for our drybulk carriers and drybulk charter rates will be dependent upon demand for imported commodities, economic growth in the emerging markets, including the Asia Pacific region, of which China is particularly important, India, Brazil and Russia and the rest of the world, seasonal and regional changes in demand and changes to the capacity of the world fleet. In past years, China and India have had two of the world's fastest growing economies in terms of gross domestic product and have been the main driving force behind increases in marine drybulk trade and the demand for drybulk vessels. If economic growth declines in China, Japan, India and other countries in the Asian region, we may face decreases in such drybulk trade and demand. For example, the recent slowdown of the Chinese economy has adversely affected demand for Capesize bulk carriers and, as a result, spot and period rates, as well as asset values, are currently at low levels. Moreover, a slowdown in the United States and Japanese economies or the economies of the European Union (the EU), as has occurred recently, or certain Asian countries will likely adversely affect economic growth in China, India and elsewhere. Adverse economic, political, social or other developments can decrease demand and prospects for growth in the shipping industry and thereby could reduce revenue significantly. A decline in demand for commodities transported in drybulk carriers or an increase in supply of drybulk vessels could cause a further decline in charter rates, which could materially adversely affect our results of operations and financial condition. If we sell a vessel at a time when the market value of our vessels has fallen, the sale may be at less than the vessel's carrying amount, resulting in a loss.

Demand for container shipments declined significantly from 2008 to 2009 in the aftermath of the global financial crisis but has increased each year from 2009 to 2015. From 2009 to 2011, there was improvement on the Far East-to-Europe and Trans-Pacific Eastbound container trade lanes, alongside improvements also witnessed on other, non-main lane, trade routes including certain intra-Asia and North-South trade routes. However, Trans-Pacific Eastbound trade lane growth was less than 1% per year in 2011 and 2012, while the Far East to Europe trade was

positive in 2011 but turned negative in 2012 due to the impact of the continuing European sovereign debt crisis and global economic slowdown, as well as uncertainty regarding the resolution of the budget ceiling and budgetary cuts in the United States. In 2014, worldwide trade volumes increased, led by increases in the Trans Pacific Eastbound and Far East to Europe trade lanes as the US and Europe experienced

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improved growth. Since the second half of 2015, a slowdown in demand in certain key container trade routes, including the Asia to Europe route at a time of increased vessel supply, has resulted in a yearly average idle container fleet of 6.4% through November 2016, which is the highest yearly average since 2010. The oversupply in our market continued to prevent any significant rise in time charter rates for both short- and long-term periods. Additional orders for large and very large containerships were placed during 2014 and 2015, both increasing the expected future supply of larger vessels and having a spillover effect on the market segment for smaller vessels. Liner companies have experienced a substantial drop-off in container shipping activity, resulting in decreased average freight rates since the second half of 2011, and the continuation of such decreased freight rates or any further declines in freight rates would negatively affect the liner companies to which we charter our containerships. The recent global economic slowdown and disruptions in the credit markets significantly reduced demand for products shipped in containers and, in turn, containership capacity.

The continuation of such containership oversupply or any declines in container freight rates could negatively affect the liner companies to which we seek to charter our containerships. The decline in the containership market has affected the major liner companies and the value of container vessels, which follow the trends of freight rates and containership charter rates, and can affect the earnings on our charters, and similarly, our cash flows and liquidity. The decline in the containership charter market has had and may continue to have additional adverse consequences for the container industry, including a less active secondhand market for the sale of vessels and charterers not performing under, or requesting modifications of, existing time charters.

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

global and regional economic conditions;

developments in international trade;

changes in seaborne and other transportation patterns, such as port congestion and canal closures or expansions;

supply and demand for energy resources, dry bulk products, commodities, semi-finished and finished consumer and industrial products;

changes in the exploration or production of energy resources, commodities, semi-finished and finished consumer and industrial products;

supply and demand for products shipped in containers;

changes in global production of raw materials or products transported by containerships;

the distance drybulk cargo or containers are to be moved by sea;

the globalization of manufacturing;

carrier alliances, vessel sharing or container slot sharing that seek to allocate container ship capacity on routes;

weather and crop yields;

armed conflicts and terrorist activities including piracy;

political, environmental and other regulatory developments, including but not limited to governmental macroeconomic policy changes, import and export restrictions and central bank policies;

embargoes and strikes; and

technical advances in ship design and construction.

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

the number of vessels that are in or out of service;

the scrapping rate of older vessels;

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the availability of finance or lack thereof for ordering newbuildings or for facilitating ship sale and purchase transactions

port and canal traffic and congestion;

the number of newbuilding deliveries;

vessel casualties;

changes in environmental and other regulations and standards that limit the profitability, operations or useful lives of vessels;

the availability of shipyard capacity; and

the economics of slow steaming.

The market value of our vessels, which has declined from historically high levels, may fluctuate significantly, which could cause us to breach covenants in our credit facilities and result in the foreclosure on our mortgaged vessels.

Factors that influence vessel values include:

number of newbuilding deliveries;

prevailing economic conditions in the markets in which containerships operate;

reduced demand for containerships, including as a result of a substantial or extended decline in world trade;

number of vessels scrapped or otherwise removed from the total fleet;

changes in environmental and other regulations that may limit the useful life of vessels;

changes in global dry cargo commodity supply;

types and sizes of vessels;

development of an increase in use of other modes of transportation;

where the ship was built and as-built specification;

lifetime maintenance record;

cost of vessel acquisitions;

governmental or other regulations;

prevailing level of charter rates;

the availability of finance or lack thereof for ordering newbuildings or for facilitating ship sale and purchase transactions;

general economic and market conditions affecting the shipping industry; and

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