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Three Months Ended June 30, June 30, 2009 2008(Expressed in thousands of U.S. dollars) (unaudited) (unaudited)

Net cash provided by operating activities	\$63,729	\$53,930
Net (decrease) increase in operating assets	(3,008)	3,272
Net increase in operating liabilities	(24,925)	(19,826)
Net interest cost	14,737	9,306
Deferred finance charges	(1,419)	(461)
Provision for losses on accounts receivable	(1,041)	
Unrealized gain (loss) on FFA derivatives, warrants and interest rate swaps	(207)	(2,863)
Earnings in affiliates and joint ventures, net of dividends received	(2,201)	3,460
Payments for dry-dock and special survey	244	485
Noncontrolling interest	(1,610)	(1,302)
Available-for-sale investments reclassification to earnings	(13,778)	
Non-cash compensation received	6,082	
Gain on sale of assets/partial sale of subsidiary	16,790	174

Adjusted EBITDA**\$53,393 \$46,175****Six Months Ended June 30, June 30, 2009 2008(Expressed in thousands of U.S. dollars) (unaudited) (unaudited)**

Net cash provided by operating activities	\$113,716	\$63,549
Net decrease in operating assets	(26,644)	(37,160)
Net (increase) decrease in operating liabilities	(19,839)	36,668
Net interest cost	29,102	18,799
Deferred finance charges	(2,128)	(925)
Provision for losses on accounts receivable	(1,041)	

Unrealized loss on FFA derivatives, warrants and interest rate swaps
(3,820) (3,167)
Earnings in affiliates and joint ventures, net of dividends received
(2,522) 3,164
Payments for dry-dock and special survey
1,831 2,288
Noncontrolling interest
(1,978) (1,791)
Available-for-sale investments reclassification to earnings
(13,778)
Non-cash compensation received
6,082
Gain on sale of assets/partial sale of subsidiary
16,790 2,748

Adjusted EBITDA
\$95,771 \$84,173

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Adjusted EBITDA for the second quarter of 2009 and 2008 was \$53.4 million and \$46.2 million, respectively. The \$7.2 million increase in Adjusted EBITDA was due primarily to a decrease in time charter, voyage and logistic business expenses by \$197.6 million from \$280.5 million in the second quarter of 2008 to \$82.9 million in the same period in 2009 and an increase in gain on sale of assets by \$16.6 million. This overall favorable variance of \$214.2 was mitigated mainly by: (a) a decrease in revenue by \$185.8 million from \$328.0 million in the second quarter of 2008 to \$142.2 million for the same period in 2009, (b) an increase in direct vessel expenses (excluding the amortization of deferred dry-dock and special survey costs) by \$0.9 million from \$6.4 million in the second quarter of 2008 to \$7.3 million for the same period in 2009, (c) an increase in general and administrative expenses by \$1.7 million from \$8.4 million in the second quarter of 2008 to \$10.1 million for the same period in 2009 (excluding \$0.5 million and \$0.7 million share-based compensation for the second quarter of 2009 and 2008, respectively), (d) a decrease in gain from derivatives by \$7.1 million from \$7.7 million for the second quarter of 2008 to \$0.6 million for the same period in 2009, (e) an increase in net other expenses by \$10.3 million, a decrease in equity in net earnings from affiliated companies by \$0.9 million, from \$6.3 million for the second quarter of 2008 to \$5.4 million for the same period of 2009, and (f) an increase in income attributable to non-controlling interests by \$0.3 million from \$1.3 million in the second quarter of 2008 to \$1.6 million in the same period of 2009.

Adjusted EBITDA for the first half of 2009 and 2008 was \$95.8 million and \$84.2 million, respectively. The \$11.6 million increase in EBITDA was due primarily to a decrease in time charter, voyage and logistic business expenses by \$387.8 million from \$562.5 million in the first half of 2008 to \$174.7 million in the same period in 2009, an increase in equity in net earnings from affiliated companies by \$2.2 million, from \$8.3 million for the first half of 2008 to \$10.5 million for the same period of 2009 and an increase in gains from sale of assets by \$14.1 million. This overall favorable variance of \$404.1 million was mitigated mainly by: (a) a decrease in revenue by \$365.1 million from \$654.5 million in the first half of 2008 to \$289.4 million for the same period in 2009, (b) an increase in direct vessel expenses (excluding the amortization of deferred dry dock and special survey costs) by \$2.5 million from \$11.5 million in the first half of 2008 to \$14.0 million for the same period in 2009, (c) an increase in general and administrative expenses by \$3.6 million from \$16.3 million in the first half of 2008 to \$19.9 million for the same period in 2009 (excluding \$1.1 million and \$1.5 million share-based compensation for the first half of 2009 and 2008, respectively), (d) a decrease in gain from derivatives by \$9.7 million from \$10.3 million for the first half of 2008 to \$0.6 million for the same period in 2009, (e) an increase in net other expenses by \$11.4 million, and (f) an increase in income attributable to non-controlling interests by \$0.2 million from \$1.8 million in the first half of 2008 to \$2.0 million in the same period of 2009.

Long-Term Debt Obligations and Credit Arrangements

In December 2006, Navios Holdings issued \$300.0 million of 9.5% senior notes due December 15, 2014. The senior notes are fully and unconditionally guaranteed, jointly and severally and on an unsecured senior basis, by all of the Company's subsidiaries, other than the Uruguayan subsidiary, CNSA. At any time before December 15, 2009, Navios Holdings may redeem up to 35% of the aggregate principal amount of the notes with the net proceeds of a public equity offering at 109.5% of the principal amount of the notes, plus accrued and unpaid interest, if any, so long as at least 65% of the originally issued aggregate principal amount of the notes remains outstanding after such redemption. In addition, Navios Holdings has the option to redeem the notes in whole or in part, at any time (1) before December 15, 2010, at a redemption price equal to 100% of the principal amount plus a make whole price which is based on a formula calculated using a discount rate of treasury bonds plus 50 bps, and (2) on or after December 15, 2010, at a fixed price of 104.75%, which price declines ratably until it reaches par in 2012. Furthermore, upon occurrence of certain change of control events, the holders of the senior notes may require Navios Holdings to repurchase some or all of the notes at 101% of their face amount. The senior notes contain covenants which, among other things, limit the incurrence of additional indebtedness, issuance of certain preferred stock, the payment of dividends, redemption or repurchase of capital stock or making restricted payments and investments, creation of certain liens, transfer or sale of assets, entering into transactions with affiliates, merging or consolidating or selling all or substantially all of Company's properties and assets and creation or designation of restricted subsidiaries. Pursuant to the covenant regarding asset sales, Navios Holdings has to repay the senior notes at par plus interest with the proceeds of certain asset sales if the proceeds from such asset sales are not reinvested in the business within a

specified period or used to pay secured debt.

In February 2007, Navios Holdings entered into a secured loan facility with HSH Nordbank and Commerzbank AG maturing on October 31, 2014. The facility is composed of a \$280.0 million term loan facility and a \$120.0 million reducing revolver facility. In April 2008, Navios Holdings entered into an agreement for the amendment of the facility due to a prepayment of \$10.0 million. After the amendment the term loan facility is repayable in 19 quarterly payments of \$2.7 million, seven quarterly payments of \$5.7 million and a balloon payment of \$166.4 million. The revolver credit facility is available for future acquisitions and general corporate and working capital purposes. As of June 30, 2009, the amount available under the revolver facility was \$11.0 million and the amount drawn was \$80.7 million.

The loan facility requires compliance with the covenants contained in the senior notes. The loan facility also requires compliance with financial covenants including, specified Security Value Maintenance (SVM) to total debt percentage and minimum liquidity. It

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is an event of default under the credit facility if such covenants are not complied with or if Angeliki Frangou, the Company's Chairman and Chief Executive Officer, beneficially owns less than 20% of Navios Holdings' issued common stock.

In March 2009, Navios Holdings amended its facility agreement with HSH Nordbank and Commerzbank A.G., effective as of November 15, 2008, as follows: (a) to reduce the SVM ratio (ratio of the charter-free valuations of the mortgaged vessels over the outstanding loan amount) from 125% to 100%; (b) to obligate Navios Holdings to accumulate cash reserves into a pledged account with the agent bank of \$14.0 million (\$5.0 million in March 2009 and \$1.1 million on each loan repayment date during 2009 and 2010, starting from January 2009); and (c) to set the margin at 200 bps. The amendment is effective until January 31, 2010. On June 30, 2009, Navios Holdings was in compliance with the financial covenants, including the SVM ratio, as required under its amended facility agreement.

In December 2007, Navios Holdings entered into a facility agreement with Emporiki Bank of Greece of up to \$154.0 million in order to partially finance the construction of two Capesize bulk carriers. In July 2009, following an amendment of the above-mentioned agreement, the amount of the facility has been changed to up to \$130.0 million. The principal amount is available for partial drawdown according to terms of the payment of the shipbuilding contracts. As of June 30, 2009, the amount drawn was \$82.4 million. The amended facility is repayable upon delivery of the Capesize vessels in 10 semi-annual installments of \$6.0 million and 10 semi-annual installments of \$4.0 million with a final payment of \$30.0 million on the last payment date. The interest rate of the amended facility is based on a margin of 175 bps. The loan facility requires compliance with the covenants contained in the senior notes. After the delivery of the vessels, the loan also requires compliance with certain financial covenants.

On March 31, 2008, Nauticler S.A. entered into a \$70.0 million loan facility for the purpose of providing Nauticler S.A. with investment capital to be used in connection with one or more investment projects. The loan is repayable in one installment by March 2011 and bears interest at LIBOR plus 1.75%. In March 2009, Navios Logistics transferred its loan facility of \$70.0 million to Marfin Popular Bank Public Co. Ltd. The loan provided for an additional one-year extension and an increase in margin to 275 bps.

In June 2008, Navios Holdings entered into a facility agreement with DNB NOR BANK ASA of up to \$133.0 million in order to partially finance the construction of two Capesize bulk carriers. In June 2009, following an amendment of the above-mentioned agreement, one of the two tranches amounting to \$66.5 million has been cancelled following the cancellation of one of the two Capesize bulk carriers. The principal amount is available for partial drawdown according to terms of the payment of the shipbuilding contract. As of June 30, 2009, the amount drawn was \$36.0 million. The amended facility is repayable six months following the delivery of the Capesize vessel in 11 semi-annual installments of \$2.9 million, with a final payment of \$34.6 million on the last payment date. The interest rate of the amended facility is based on a margin of 225 bps as defined in the new agreement.

In December 2008, Navios Holdings entered into a \$90.0 million revolving credit facility with Marfin Egnatia Bank for general corporate purposes. The loan is repayable in one installment in December 2010 and bears interest at LIBOR plus 2.75%.

In February 2009, Navios Holdings concluded a facility of up to \$120.0 million with Dekabank Deutsche Girozentrale to finance the acquisition of two Capesize vessels. The loan is repayable upon delivery of the Capesize vessels in 20 semi-annual installments and bears an interest rate of LIBOR plus 1.90%. The loan facility requires compliance with the covenants contained in the senior notes. The loan also requires compliance with certain financial covenants. As of June 30, 2009, no amount has been drawn under this facility. In July 2009, the full amount has been drawn in order to partially finance the acquisition of two Capesize vessels.

In February 2009, Navios Holdings issued \$33.5 million of convertible debt at a fixed rate of 2% per annum, exercisable until February 2012, at a price of \$11.00 per share, in order to partially finance the acquisition of the Navios Vega. Interest is payable semi-annually. Unless previously converted, the amount is payable in February 2012. Navios Holdings has the option to redeem the debt in whole or in part in multiples of a thousand dollars, at any time (1) before February 2010 at a redemption price equal to 105% of the principal amount to be redeemed and (2) any time thereafter at a redemption price equal to 100% of the principal amount to be redeemed. The convertible debt was recorded at fair market value on issuance at a discounted face value of 94.5%. The fair market value was determined using a binomial stock price tree model that considered both the debt and conversion features. The model used takes

into account the credit spread of the Company, the volatility of its stock, as well as the price of its stock at the issuance date.

In March 2009, Navios Holdings concluded a loan facility with Marfin Egnatia Bank of up to \$110.0 million to be used for general corporate purposes. \$57.2 million of the facility is repayable upon delivery of two Capesize vessels during 2009 and the remaining is repayable in one installment in February 2011. It bears interest at a rate of LIBOR plus 2.75%. As of June 30, 2009, the full amount had been drawn.

In June 2009, Navios Holdings entered into a new facility agreement of up to \$240.0 million (divided into four tranches of \$60.0 million) with Commerzbank AG in order to partially finance the acquisition of one Capesize vessel and the construction of three Capesize vessels. The principal amount for the three Capesize vessels under construction is available for partial drawdown according to the terms of the payment of the shipbuilding contracts. Each tranche of the facility is repayable starting three months after the delivery of each Capesize vessel in 40 quarterly installments of \$0.9 million with a final payment of \$24.7 million on the last payment

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date. It bears interest at a rate based on a margin of 225 bps. As of June 30, 2009, the amount drawn under this facility was \$60.0 million. The loan facility requires compliance with the covenants contained in the senior notes. The loan also requires compliance with certain financial covenants.

In July 2009, Navios Holdings issued a \$20.0 million unsecured bond due in July 2012 as partial payment of the acquisition price of a Capesize vessel. Interest will accrue on the principal amount of the unsecured bond at the rate of 6% per annum. All accrued interest (which will not be compounded) will be first due and payable in July 2012, on the maturity date. The unsecured bond may be prepaid by Navios Holdings at any time without prepayment penalty.

Upon acquisition of Kleimar the following loans were assumed:

On April 28, 2004, Kleimar entered into a \$40.0 million credit facility with Fortis Bank and Dexia Bank. The facility is secured by a mortgage on a vessel together with assignment of earnings and insurances. As of June 30, 2008, the facility had been fully repaid.

On August 4, 2005, Kleimar entered into a \$21.0 million loan facility with DVB Bank for the purchase of a vessel-maturing in August 2010. The loan is secured by a mortgage on a vessel together with assignment of earnings and insurances. As of June 30, 2009, \$16.8 million was outstanding under this facility.

Upon acquisition of Horamar the following loans were assumed:

In connection with the acquisition of Horamar, Navios Holdings assumed a \$9.5 million loan facility that was entered into by HS Shipping Ltd. Inc. in 2006, in order to finance the building of a 8,900 dwt double hull tanker (Malva H). The loan bears interest at LIBOR plus 5.5% during the construction period, which lasted until February 2008. After the vessel delivery the interest rate was LIBOR plus 1.5%. The loan will be repaid by installments that shall not be less than 90% of the amount of the last hire payment due to be paid to HS Shipping Ltd. Inc. The repayment date shall not exceed the December 31, 2011. The loan can be pre-paid before such date, upon two days written notice. Borrowings under the loan are subject to certain financial covenants and restrictions on dividend payments and other related items. As of June 30, 2009, HS Shipping Ltd. Inc. is in compliance with all the covenants.

In connection with the acquisition of Horamar, Navios Holdings assumed a \$2.3 million loan facility that was entered into by Thalassa Energy S.A. in October 2007, in order to finance the purchase of two self-propelled barges (Formosa and San Lorenzo). The loan facility bears interest at LIBOR plus 1.5%. The loan will be repaid in five equal installments of \$0.5 million, two of which were repaid in November 2008 and June 2009, and the remaining three installments will be repaid in January 2010, August 2010 and March 2011. Borrowings under the loan are subject to certain financial covenants and restrictions on dividend payments and other related items. As of June 30, 2009, Thalassa Energy S.A. was in compliance with all the covenants. The loan is secured by a first priority mortgage over the two self-propelled barges (Formosa and San Lorenzo).

The maturity table below reflects the principal payments of all credit facilities outstanding as of June 30, 2009 for the next five years and thereafter are based on the repayment schedule of the respective loan facilities discussed in this section Long Term Obligations and Credit Arrangements and the outstanding amount due under the senior notes. The maturity table below includes in the amount shown for 2015 and thereafter future principal payments of the drawn portion of credit facilities associated with the financing of the construction of Capesize vessels scheduled to be delivered on various dates throughout 2009.

Year	June 30, 2009
	Amounts in millions of U.S. dollars
2009	\$ 61.8
2010	145.9

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2011	96.0
2012	134.6
2013	31.1
2014	519.2
2015 and thereafter	146.6
Total	\$ 1,135.2

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	June 30, 2009				
	Payment due by period (Amounts in millions of U.S. dollars)				
Contractual Obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt ^{(i)(ii) (iii)}	\$ 1,135.2	\$ 82.2	\$ 340.6	\$ 68.0	\$ 644.4
Operating lease obligations (Time charters)	949.2	113.8	205.7	204.4	425.3
Operating lease obligations push boats and barges	8.1	3.8	4.3		
Vessel deposits ^(iv)	763.1	614.7	148.4		
Rent obligations ^(v)	\$ 11.9	\$ 1.6	\$ 2.5	\$ 2.4	\$ 5.4

(i) The amount identified does not include interest costs associated with the outstanding credit facilities which are based on LIBOR or applicable interest rate swap rates, plus the costs of complying with any applicable regulatory requirements and a margin ranging from 1.2% to 2.75% per annum.

(ii) Following the amendment of the facility agreement with HSH Nordbank and Commerzbank A.G in March 2009, Navios

Holdings has to accumulate \$14.0 million of cash reserves into a pledged account with the agent bank (\$5.0 million in March 2009 and \$1.1 million on each loan repayment date during 2009 and 2010, commencing in January 2009).

(iii) The long-term debt contractual obligations includes in the amount shown for more than five years future principal payments of the drawn portion of credit facilities associated with the financing of the construction of Capesize vessels scheduled to be delivered on various dates throughout 2009.

(iv) Future remaining contractual deposits for the 13 owned Capesize vessels to be delivered in various dates until February 2011 including final

installments for the delivery of Navios Happiness and Navios Pollux already delivered in July 2009.

- (v) On January 2, 2006, Navios Holdings relocated its headquarters to new premises in Piraeus, Greece. In October 2006, the Company signed an agreement with a third party to sublease approximately 2,000 square feet of its Norwalk office. Kleimar has leased approximately 387 square meters to locate its offices. Navios Logistics has several lease agreements to locate its offices. The table above incorporates only the lease obligation of the offices indicated in this footnote. Minimum payments have not been reduced by minimum sublease rentals

of a total amount of \$0.3 million due until the end of the sublease agreement, under a non-cancelable sublease.

Working Capital Position

On June 30, 2009, Navios Holdings' current assets totaled \$452.7 million, while current liabilities totaled \$235.8 million, resulting in a positive working capital position of \$216.9 million. Navios Holdings' cash forecast indicates that it will generate sufficient cash during 2009 and 2010 to make the required principal and interest payments on its indebtedness, provide for the normal working capital requirements of the business and remain in a positive cash position during 2009 and 2010.

While projections indicate that existing cash balances and operating cash flows will be sufficient to service the existing indebtedness, Navios Holdings continues to review its cash flows with a view toward increasing working capital.

Capital Expenditures

Since 2007, the Company has entered into agreements for the acquisition of a total of 17 newbuild Capesize vessels. In November 2008, the Company terminated three of the above contracts. All Capesize vessels are scheduled for delivery on various dates throughout 2009 until February 2011. As of June 30, 2009, the Company took delivery of the first Capesize vessel, Navios Bonavis. The remaining capital obligations at June 30, 2009, depending on the timing of the delivery of the Capesize vessels, amount to approximately \$763.1 million. These capital obligations will be funded by the Company's existing cash and term loan facilities or available credit lines, as well as any further financing arrangements. In July 2009, the Company took delivery of two additional Capesizes, Navios Pollux and Navios Happiness.

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At the present time, Navios Holdings intends to retain most of its available earnings generated by operations for the development and growth of its business. In addition, the terms and provisions of the Company's current secured credit facilities and the indenture governing its senior notes limit its ability to pay dividends in excess of certain amounts or if certain covenants are not met. However, subject to the terms of its credit facilities, the Board of Directors may from time to time consider the payment of dividends and on August 18, 2009, the Board of Directors declared a quarterly cash dividend with respect to the first quarter of 2009 of \$0.06 per share of common stock payable on October 2, 2009 to stockholders on record as of September 18, 2009. The declaration and payment of any dividend remains 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, restrictions by credit agreements and market conditions.

Concentration of Credit Risk

Concentrations of credit risk with respect to accounts receivables are limited due to Navios Holdings' large number of customers, that are internationally dispersed and have a variety of end markets in which they sell. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in Navios Holdings' trade receivables. For the six month period ended June 30, 2009, and for the year ended December 31, 2008, no customer from the vessel operations segment accounted for more than 10.0% of Navios Holdings' revenue.

Off-Balance Sheet Arrangements

Charter hire payments to third parties for chartered-in vessels are treated as operating leases for accounting purposes. Navios Holdings is also committed to making rental payments under operating leases for its office premises. With the exception of payments made during the six months ended June 30, 2009, future minimum rental payments under Navios Holdings' non-cancelable operating leases are analyzed in the contractual obligations above. As of June 30, 2009, Navios Holdings was contingently liable for letters of guarantee and letters of credit amounting to \$5.8 million issued by various banks in favor of various organizations of which \$1.7 million are collateralized by cash deposits which are included as a component of restricted cash.

Upon acquisition of Horamar, the Company's subsidiaries in South America were contingently liable for various claims and penalties towards the local tax authorities amounting to a total of approximately \$6.6 million. According to the acquisition agreement, if such cases are materialized against Navios Holdings, the amounts involved will be reimbursed by the previous shareholders, and, as such, the Company has recognized a respective receivable against such liability. The contingencies are expected to be resolved in the next five years. In the opinion of management, the ultimate disposition of these matters is immaterial and will not adversely affect the Company's financial position, results of operations or liquidity.

Related Party Transactions

Office rent: On January 2, 2006, Navios Corporation and Navios ShipManagement Inc. (ShipManagement), two wholly-owned subsidiaries of Navios Holdings, entered into two lease agreements with Goldland Ktimatiki-Ikodomiki-Touristiki and Xenodohiaki Anonimos Eteria, a Greek corporation which is partially owned by relatives of Angeliki Frangou, Navios Holdings' Chairman and Chief Executive Officer. The lease agreements provide for the leasing of two facilities located in Piraeus, Greece, of approximately 2,034.3 square meters and houses the operations of most of the Company's subsidiaries. The total annual lease payments are EUR 0.4 million (approximately \$0.6 million) and the lease agreements expire in 2017. The Company believes the terms and provisions of the lease agreements were the same as those that would have been agreed with a non-related third party. These payments are subject to annual adjustments starting from the third year which are based on the inflation rate prevailing in Greece as reported by the Greek State at the end of each year.

On October 31, 2007, ShipManagement entered into a lease agreement with Emerald Ktimatiki-Ikodomiki-Touristiki and Xenodohiaki Anonimos Eteria, a Greek corporation that is partially owned by relatives of Angeliki Frangou, Navios Holdings' Chairman and Chief Executive Officer. The lease agreement provides for the leasing of one facility in Piraeus, Greece, of approximately 1,367.5 square meters and houses part of the operations of the Company. The total annual lease payments are EUR 0.4 million (approximately \$0.6 million) and the lease agreement expires in 2019. These payments are subject to annual adjustments starting from the third year

which are based on the inflation rate prevailing in Greece as reported by the Greek State at the end of each year.

Purchase of services: The Company utilizes Acropolis Chartering and Shipping Inc. (Acropolis) as a broker. Commissions paid to Acropolis for each of the three month periods ended June 30, 2009 and 2008, were \$0 and \$0.4 million, respectively and for the six months periods ended June 30, 2009 and 2008, were \$0.1 million and \$0.7 million, respectively. The Company owns 50% of the

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common stock of Acropolis. During the period ended June 30, 2009 and the year ended December 31, 2008, the Company received dividends of \$0.9 million and \$1.9 million, respectively. Included in the trade accounts payable at June 30, 2009 and December 31, 2008 is an amount of \$0.2 million and \$0.2 million, respectively, which is due to Acropolis.

Management fees: Pursuant to a management agreement dated November 16, 2007, Navios Holdings provides commercial and technical management services to Navios Partners' vessels for a daily fee of \$4,000 per owned Panamax vessel and \$5,000 per owned Capesize vessel. This daily fee covers all of the vessels' operating expenses, including the cost of dry-dock and special surveys. The daily rates are fixed for a period of two years whereas the initial term of the agreement is five years commencing from November 16, 2007. Total management fees for the three month periods ended June 30, 2009 and 2008 amounted to \$2.6 million and \$2.1 million, respectively and for the six month periods ended June 30, 2009 and 2008, \$5.2 million and \$3.9 million, respectively.

General and administrative expenses: Pursuant to the administrative services agreement dated November 16, 2007, Navios Holdings provides administrative services to Navios Partners which include: bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations and other. Navios Holdings is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Total general and administrative fees charged for the three months periods ended June 30, 2009 and 2008 amounted to \$0.6 million and \$0.3 million, respectively and for the six month period ended June 30, 2009 and 2008, \$1.0 million and \$0.5 million, respectively.

Balance due from affiliate: Due from affiliate as at June 30, 2009 amounts to \$6.5 million (2008: \$1.7 million) which includes the current amounts of \$6.4 million due from Navios Partners (2008: \$1.5 million). The balance mainly consists of management fees, administrative fees and other expenses.

Sale of Navios Hope: On July 1, 2008, Navios Hope was sold to Navios Partners in accordance with the terms of the omnibus agreement. The sale price consisted of \$35.0 million in cash and \$44.9 million in common units (3,131,415 common units) of Navios Partners. The investment in the 3,131,415 common units is classified as Investments in available for sale securities. The gain from the sale of the Navios Hope was \$51.5 million, of which \$24.9 million was recognized at the time of sale in the statements of income under Gain on sale of assets. The remaining \$26.7 million, which represents profit to the extent of Navios Holdings' ownership interest in Navios Partners, had been deferred under Long term liabilities and deferred income and amortized over the remaining life of the vessel or until it is sold. Following Navios Partners' public equity offering of 3,500,000 common units in May 2009, Navios Holdings' interest in Navios Partners decreased to 44.6%. As a result of this decrease, \$3.5 million of the deferred gain has been recognized in the statements of income under Equity in net earnings of affiliated companies. As of June 30, 2009, the unamortized portion of the gain was \$21.9 million. (See Note 5 of the Unaudited Interim Consolidated Financial Statements included elsewhere in this document).

Sale of rights of Navios Sagittarius: On June 10, 2009, Navios Holdings sold to Navios Partners the rights of the Navios Sagittarius, a 2006 Japanese-built Panamax vessel with a capacity of 75,756 dwt, for a cash consideration of \$34.6 million. The book value assigned to the vessel was \$4.3 million, resulting in gain from her sale of \$30.3 million, of which, \$16.8 million had been recognized at the time of sale in the statements of income under Gain on sale of assets and the remaining \$13.5 million representing, profit of Navios Holdings' 44.6% interest in Navios Partners, has been deferred under Long term liabilities and deferred income and is being recognized to income based on the remaining term of the vessel's contract rights or until the vessel's rights are sold. As of June 30, 2009, the unamortized portion of the gain was \$13.4 million. (See Note 6 of the Unaudited Interim Consolidated Financial Statements included elsewhere in this document).

Navios Bonavis: On June 9, 2009, Navios Holdings relieved Navios Partners from its obligation to purchase the Capesize vessel Navios Bonavis for \$130.0 million and with the delivery of the Navios Bonavis to Navios Holdings, Navios Partners was granted a 12-month option to purchase the vessel for \$125.0 million. In return, Navios Partners issued to Navios Holdings 1,000,000 subordinated Series A units. Navios Holdings recognized in its results a non-cash compensation income amounting to \$6.1 million. The 1,000,000 subordinated Series A units are included in Investments in affiliates. (See Note 14 of the Unaudited Interim Consolidated Financial Statements included elsewhere in this document).

Navios Acquisition: On July 1, 2008, Navios Holdings purchased 7,600,000 warrants from Navios Acquisition for a total consideration of \$7.6 million (\$1.00 per warrant) in the private placement that occurred simultaneously with the completion of Navios Acquisition's IPO. Each Sponsor Warrant will entitle the holder to purchase from Navios Acquisition one share of common stock at an exercise price of \$7.00. Prior to the IPO, Navios Holdings had purchased 8,625,000 Sponsor Units for a total consideration of \$25,000, of which an aggregate of 290,000 units were transferred to the Company's officers and directors and an aggregate of 2,300,000 Sponsor Units were returned to Navios Acquisition and cancelled upon receipt. Each unit consists of one share of Navios Acquisition's common stock and one Sponsor Warrant. (See Note 1 of the Unaudited Interim Consolidated Financial Statements included elsewhere in this document).

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On March 31, 2008, Navios Holdings provided a non-interest bearing loan of \$0.5 million to Navios Acquisition which was repaid during 2008.

Navios Acquisition presently occupies office space provided by Navios Holdings. Navios Holdings has agreed that, until the consummation of a business combination, it will make such office space available for use by Navios Acquisition, as well as certain office and secretarial services, as may be required from time to time. Navios Acquisition has agreed to pay Navios Holdings \$10,000 per month for such services and the charge is included in general and administrative expenses. Total general and administrative fees charged for the three and six months periods ended June 30, 2009 amounted to \$30,000 and \$60,000, respectively. The charge in the respective periods of 2008 was \$0. As of June 30, 2009 and December 31, 2008, the balance due from Navios Acquisition was \$0.1 million and \$0.1 million, respectively.

Quantitative and Qualitative Disclosures about Market Risks

Navios Holdings is exposed to certain risks related to interest rate, foreign currency and charter rate risks. To manage these risks, Navios Holdings uses interest rate swaps (for interest rate risk) and FFAs (for charter rate risk).

Interest Rate Risk:

Debt Instruments On June 30, 2009 and December 31, 2008, Navios Holdings had a total of \$1.135.2 million and \$889.4 million, respectively, in long-term indebtedness. The debt is dollar denominated and bears interest at a floating rate, except for the senior notes and the convertible debt discussed in *Liquidity and Capital Resources* that bear interest at fixed rate.

For a detailed discussion on Navios Holdings' debt instruments refer to section *Long Term Debt Obligations and Credit Arrangements* included elsewhere in this document.

The interest on the loan facilities is at a floating rate and, therefore, changes in interest rates would have no effect on their fair value. The interest rate on the senior notes and convertible debt is fixed and, therefore, changes in interest rates affect their fair value which as of June 30, 2009 was \$246.8 million and \$31.9 million, respectively. Amounts drawn under the facilities and the senior notes are secured by the assets of Navios Holdings and its subsidiaries. A change in the LIBOR rate of 100 bps would change the annual interest expense by \$6.3 million.

Interest Rate Swaps Navios Holdings has entered into interest rate swap contracts to hedge its exposure to variability in its floating rate long-term debt. Under the terms of the interest rate swaps Navios Holdings and the banks agreed to exchange, at specified intervals, the difference between a paying fixed rate and floating rate interest amount calculated by reference to the agreed principal amounts and maturities. The interest rate swaps allow Navios Holdings to convert long-term borrowings issued at floating rates into equivalent fixed rates.

At June 30, 2009, Navios Holdings had the following swaps outstanding:

- a) One swap with the Royal Bank of Scotland and one swap with Alpha Bank with a total notional principal amount of \$16.0 million. The swaps were entered into at various points in 2001 and mature in 2010. Navios Holdings estimates that it would have to pay \$0.9 million to terminate these agreements as of June 30, 2009. As a result of the swaps, Navios Holdings' net exposure is based on total floating rate debt less the notional principal of floating to fixed interest rate swaps. A 100 bps change in interest rates would increase or decrease interest expense by \$0.1 million as of June 30, 2009, so long as the relevant LIBOR does not exceed the caps described below. The swaps are set by reference to the difference between the three month LIBOR (which is the base rate under Navios Holdings' long-term borrowings) and the yield on the U.S. 10-year treasury bond. The swaps effectively fix interest rates at 5.55% to 5.65%. However, each of the foregoing swaps is subject to a cap of 7.5%; to the extent the relevant LIBOR exceeds the cap, Navios Holdings would remain exposed.
- b) In July 2006, and in connection with the Company's senior secured credit facility with HSH Nordbank AG, Navios Holdings entered into a second ISDA agreement with HSH Nordbank AG, whereby it exchanges LIBOR with a fixed rate of 5.52%. This contract applies for the period from December 31, 2007 to September 30, 2009, for a notional amount of \$79.3 million at redemptions in accordance with the repayment schedule of the Company's senior secured credit facility as above. The ISDA agreement is secured by the same collateral as the secured credit facility discussed in the preceding paragraph. A 100 bps change in interest rates would increase or decrease interest expense by less than \$0.1 million as of June 30, 2009.

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- c) One swap with Dexia Bank Belgium with a total notional amount of \$21.0 million. The swap was entered into at August 2005 and matures in August 2010. Navios Holdings estimates that it would have to pay \$0.7 million to terminate this agreement as of June 30, 2009. The swaps exchange LIBOR with fixed rate of 4.525%. In April 2009, one swap with Fortis Bank and one swap with Dexia Bank Belgium expired under their agreement.

Foreign Currency Risk

Foreign Currency: In general, the shipping industry is a dollar dominated industry. Industry revenue is set mainly in U.S. dollars, and approximately 82.2% of Navios Holdings' revenue is also incurred in U.S. dollars. Certain of Navios Holdings' expenses are paid in foreign currencies and a one percent change in the exchange rates of the various currencies at June 30, 2009 would increase or decrease net income by approximately \$0.4 million.

FFAs Derivative Risk

Forward Freight Agreements (FFAs) Navios Holdings enters into FFAs as economic hedges relating to identifiable ship and/or cargo positions and as economic hedges of transactions that Navios Holdings expects to carry out in the normal course of its shipping business. By using FFAs, Navios Holdings manages the financial risk associated with fluctuating market conditions. The effectiveness of a hedging relationship is assessed at its inception and then throughout the period of its designation as a hedge. If an FFA qualifies for hedge accounting, any gain or loss on the FFA, as accumulated in Accumulated Other Comprehensive Income/(Loss), is first recognized when measuring the profit or loss of related transaction. For FFAs that qualify for hedge accounting, the changes in fair values of the effective portion representing unrealized gains or losses are recorded in Accumulated Other Comprehensive Income/(Loss) in the stockholders' equity while the unrealized gains or losses of the FFAs not qualifying for hedge accounting together with the ineffective portion of those qualifying for hedge accounting are recorded in the statement of income under Gain/(Loss) on Forward Freight Agreements. The gains/(losses) included in Accumulated Other Comprehensive Income/(Loss) will be reclassified to earnings under Revenue in the statement of income in the same period or periods during which the hedged forecasted transaction affects earnings. The reclassification to earnings extended until December 31, 2008, depending on the period or periods during which the hedged forecasted transaction will affect earnings and commenced in the third quarter of 2006. For the year ended December 31, 2008, \$19.9 million of losses included in Accumulated Other Comprehensive Income/(Loss) had been reclassified to earnings.

Navios Holdings is exposed to market risk in relation to its FFAs and could suffer substantial losses from these activities in the event expectations are incorrect. Navios Holdings trades FFAs with an objective of both economically hedging the risk on the fleet, specific vessels or freight commitments and taking advantage of short-term fluctuations in market prices. As there no positions deemed to be open as of June 30, 2009, any change in underlying freight market indices would only have no effect on the Company's net income.

Critical Accounting Policies

The Navios Holdings' interim consolidated financial statements have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires Navios Holdings to make estimates in the application of its accounting policies based on the best assumptions, judgments and opinions of management. Following is a discussion of the accounting policies that involve a higher degree of judgment and the methods of their application that affect the reported amount of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities at the date of its financial statements. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting policies are those that reflect significant judgments or uncertainties, and potentially result in materially different results under different assumptions and conditions. Navios Holdings has described below what it believes are its most critical accounting policies that involve a high degree of judgment and the methods of their application. For a description of all of Navios Holdings' significant accounting policies, see Note 2 to the Consolidated Financial Statements, included in Navios Holdings' 2008 annual report on Form 20-F filed with the Securities and Exchange Commission.

Use of estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. On an on-going basis, management evaluates the estimates and

judgments, including those related to uncompleted voyages, future dry-dock dates, the carrying value of investments in affiliates, the selection of useful lives for tangible assets, expected future cash flows from long-lived assets to support impairment tests, provisions necessary for accounts receivables, provisions for legal disputes, pension benefits, and contingencies. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the

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carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates under different assumptions and/or conditions.

Accounting for derivative financial instruments and hedge activities: The Company enters into dry bulk 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 dry bulk shipping FFAs, Navios Holdings manages the financial risk associated with fluctuating market conditions. In entering into these contracts, the Company has assumed the risk that might arise from the possible inability of counterparties to meet the terms of their contracts.

The Company also trades dry bulk shipping FFAs which are cleared through NOS ASA, a Norwegian clearing house and LCH, a London clearing house. NOS ASA and LCH call for both base and margin collaterals, which are funded by Navios Holdings, and which in turn substantially eliminate 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 dry bulk 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.

Pursuant to SFAS 133, the Company records all of its derivative financial instruments and hedges as economic hedges except for those qualifying for hedge accounting. Gains or losses of instruments qualifying for hedge accounting as cash flow hedges are reflected under Accumulated Other Comprehensive Income/(Loss) in stockholders equity, while those instruments that do not meet the criteria for hedge accounting are reflected in the statement of operations. For FFAs that qualify for hedge accounting the changes in fair values of the effective portion representing unrealized gain or losses are recorded under Accumulated Other Comprehensive Income/(Loss) in the stockholders equity while the unrealized gains or losses of the FFAs not qualifying for hedge accounting together with the ineffective portion of those qualifying for hedge accounting, are recorded in the statement of operations under

Gain/(Loss) on Forward Freight Agreements . The gains/(losses) included in Accumulated Other Comprehensive Income/(Loss) are being reclassified to earnings under Revenue in the statement of operations in the same period or periods during which the hedged forecasted transaction affects earnings. The reclassification to earnings commenced in the third quarter of 2006 and extended until December 31, 2008, depending on the period or periods during which the hedged forecasted transactions will affect earnings. There is no amount included in Accumulated Other Comprehensive Income/(Loss) as of December 31, 2008, that is expected to be reclassified to earnings after December 31, 2008. For the years ended December 31, 2008, \$19.9 million losses, included in Accumulated Other Comprehensive Income/ (Loss) , were reclassified to earnings.

The Company classifies cash flows related to derivative financial instruments within cash provided by operating activities in the consolidated statement of cash flows.

Stock-based compensation: On October 18, 2007 and December 16, 2008, the Compensation Committee of the Board of Directors authorized the issuance of restricted stock and stock options in accordance with Navios Holdings Stock Plan. The Company awarded restricted stock to its employees, officers and directors and stock options to its executives and directors, based on service conditions only, that vest over two years and three years, respectively.

The fair value of stock option grants is determined with reference to option pricing models, principally adjusted Black-Scholes models. The fair value of restricted stock grants is determined by reference to the quoted stock price on the date of grant. Compensation expense, net of estimated forfeitures, is recognized based on a graded expense model over the vesting period.

Impairment of long-lived assets: Vessels, other fixed assets and other long lived assets held and used by Navios Holdings are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable. In accordance with FAS 144, Navios Holdings management evaluates the carrying amounts and periods over which long-lived assets are depreciated to determine if events or changes in circumstances have occurred that would require modification to their carrying values or useful lives. In evaluating useful lives and carrying values of long-lived assets, certain indicators of potential impairment, are reviewed such as undiscounted projected operating cash flows, vessel sales and purchases, business plans and overall market conditions. Undiscounted projected net operating cash flows are determined for each vessel

and compared to the vessel carrying value. In the event that impairment occurred, the fair value of the related asset is determined and an impairment charge is recorded to operations calculated by comparing the asset's carrying value to the estimated fair market value. Fair market value is estimated primarily through the use of third-party valuations performed on an individual vessel basis. For the purposes of assessing impairment, long-lived assets are grouped at the lowest levels for which there are separately identifiable cash flows.

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No impairment loss was recognized for any of the periods presented.

Vessels, net: Vessel acquisitions are stated at historical cost, which consists of the contract price, any material expenses incurred upon acquisition (improvements and delivery expenses). Subsequent expenditures for major improvements and upgrading are capitalized, provided they appreciably extend the life, increase the earning capacity or improve the efficiency or safety of the vessels. Expenditures for routine maintenance and repairs are expensed as incurred.

Depreciation is computed using the straight line method over the useful life of the vessels, after considering the estimated residual value. Management estimates the useful life of the Company's vessels to be 25 years from the vessel's original construction. However, when regulations place limitations over the ability of a vessel to trade on a worldwide basis, its useful life is re-estimated to end at the date such regulations become effective.

Deferred dry-dock and special survey costs: The Company's vessels, barges and push boats are subject to regularly scheduled dry-docking and special surveys which are carried out every 30, 60, and 84 months for vessels and barges and push boats, respectively to coincide with the renewal of the related certificates issued by the Classification Societies, unless a further extension is obtained in rare cases and under certain conditions. The costs of dry-docking and special surveys is deferred and amortized over the above periods or to the next dry-docking or special survey date if such has been determined. Unamortized dry-docking or special survey costs of vessels, barges and push boats sold are written off to income in the year the vessel, barge or push boat is sold. When vessels are acquired the portion of the vessels' capitalized cost that relates to dry-docking or special survey is treated as a separate component of the vessels' cost and is deferred and amortized as above. This cost is determined by reference to the estimated economic benefits to be derived until the next dry-docking or special survey.

Goodwill and other intangibles: As required by SFAS No. 142 *Goodwill and Other Intangible Assets*, goodwill acquired in a business combination initiated after June 30, 2001 is not to be amortized. Similarly, intangible assets with indefinite lives are not amortized. Rather, SFAS 142 requires that goodwill be tested for impairment at least annually and written down with a charge to operations if the carrying amount exceeds the estimated fair value.

The Company evaluates impairment of goodwill using a two-step process. First, the aggregate fair value of the reporting unit is compared to its carrying amount, including goodwill. The Company determines the fair value based on a combination of discounted cash flow analysis and an industry market multiple.

If the fair value exceeds the carrying amount, no impairment exists. If the carrying amount of the reporting unit exceeds the fair value, then the Company must perform the second step in order to determine the implied fair value of the reporting unit's goodwill and compare it with its carrying amount. The implied fair value is determined by allocating the fair value of the reporting unit to all the assets and liabilities of that unit, as if the unit had been acquired in a business combination and the fair value of the unit was the purchase price. If the carrying amount of the goodwill exceeds the implied fair value, then goodwill impairment is recognized by writing the goodwill down to the implied fair value.

No impairment loss was recognized for any of the periods presented.

The fair value of the trade name was determined based on the relief from royalty method which values the trade name based on the estimated amount that a company would have to pay in an arms length transaction in order to use that trade name. The asset is being amortized under the straight line method over 32 years. The fair value of customer relationships was determined based on the excess earnings method, which relies upon the future cash flow generating ability of the asset. The asset is amortized under the straight line method over 20 years. Other intangibles that are being amortized, such as the amortizable portion of favorable leases, port terminal operating rights, backlog assets and liabilities, would be considered impaired if their fair market value could not be recovered from the future undiscounted cash flows associated with the asset. Vessel purchase options, which are included in favorable lease terms, are not amortized and would be considered impaired if the carrying value of an option, when added to the option price of the vessel, exceeded the fair market value of the vessel.

Investment in available for sale securities: The Company classifies its existing marketable equity securities as available-for-sale in accordance with provisions of SFAS 115 *Accounting for Certain Investments in Debt and Equity Securities*. These securities are carried at fair market value, with unrealized gains and losses excluded from earnings and reported directly in stockholders' equity as a component of other comprehensive income (loss) unless an

unrealized loss is considered other-than-temporary, in which case it is transferred to the statement of income. Management evaluates securities for OTTI on a quarterly basis. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the investee, and (3) the intent and ability of the Company to retain its investment in the investee for a period of time sufficient to allow for any anticipated recovery in fair value.

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For the six month period ended June 30, 2009 and for the year ended December 31, 2008, the Company's unrealized holding gains/(losses) in available for sale securities were \$8.8 million and \$(22.6) million, respectively. As of June 30, 2009, \$13.8 million relating to available for sale securities were reclassified to earnings.

Recent Accounting Pronouncements

In December 2007, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 160, Noncontrolling Interests in Consolidated Financial Statements amendments of ARB No. 51 (SFAS No. 160). SFAS No. 160 states that accounting and reporting for minority interests will be recharacterized as noncontrolling interests and classified as a component of equity. The Statement also establishes reporting requirements that provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS No. 160 applies to all entities that prepare consolidated financial statements, except not-for-profit organizations, but will affect only those entities that have an outstanding noncontrolling interest in one or more subsidiaries or that deconsolidate a subsidiary. This statement was effective as of January 1, 2009 and the interim consolidated financial statements were updated to reflect the reporting and disclosure requirements.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), Business Combinations (FAS 141R), which replaces FASB Statement No. 141. FAS 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed any non controlling interest in the acquiree and the goodwill acquired. The Statement also establishes disclosure requirements which will enable users to evaluate the nature and financial effects of the business combination. FAS 141R was effective for Navios Holdings for fiscal year beginning on January 1, 2009 and it did not have a material affect on the Company's consolidated financial statements.

In February 2008, the FASB issued the FASB Staff Position (FSP No. 157-2) which delays the effective date of SFAS 157, for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). For purposes of applying this FSP, nonfinancial assets and nonfinancial liabilities would include all assets and liabilities other than those meeting the definition of a financial asset or financial liability as defined in paragraph 6 of FASB Statement No. 159, The Fair Value Option for Financial Assets and Financial Liabilities. This FSP defers the effective date of SFAS 157 to fiscal years beginning after November 15, 2008, and the interim periods within those fiscal years for items within the scope of this FSP. The application of SFAS 157 to those items covered by FSP 157-2 did not have a material effect on the consolidated financial statements of the Company.

In March 2008, the FASB issued SFAS No. 161 (SFAS 161) Disclosures about Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133 . SFAS 161 changes the disclosure requirements for derivative instruments and hedging activities. Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. This Statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. This Statement encourages, but does not require, comparative disclosures for earlier periods at initial adoption. The adoption of SFAS 161 did not have a material effect on the Company's consolidated financial statements.

In April 2008, FASB issued FASB Staff Position FSP 142-3 Determination of the useful life of intangible assets . This FASB Staff Position (FSP) amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB Statement No. 142,

Goodwill and Other Intangible Assets . The intent of this FSP is to improve the consistency between the useful life of a recognized intangible asset under Statement 142 and the period of expected cash flows used to measure the fair value of the asset under FASB Statement No. 141 (revised 2007), Business Combinations , and other U.S. generally accepted accounting principles (GAAP). This FSP was effective for Navios Holdings for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. The adoption of FSP 142-3 did not have a material effect on the consolidated financial statements of the Company.

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In May 2008, the Financial Accounting Standards Board issued FASB Statement No. 162, The Hierarchy of Generally Accepted Accounting Principles. The new standard is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with U.S. generally accepted accounting principles (GAAP) for nongovernmental entities. Statement No. 162 is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board Auditing amendments to AU Section 411, The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles. The application of this statement did not have a material effect on the Company's consolidated financial statements.

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In June 2008, FASB issued FASB Staff Position FSP EITF 03-6-1 Determining whether instruments granted in share-based payment transactions are participating securities . This FASB Staff Position (FSP) addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting and, therefore, need to be included in the earnings allocation in computing earnings per share (EPS) under the two-class method described in paragraphs 60 and 61 of FASB Statement No. 128, Earnings per Share . This FSP was effective for the Company for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. All prior-period EPS data presented shall be adjusted retrospectively (including interim financial statements, summaries of earnings, and selected financial data) to conform with the provisions of this FSP. The adoption of FSP EITF 03-6-1 did not have a material effect on the Company's consolidated financial statements.

In September 2008, Financial Accounting Standards Board issued FASB Staff Positions (FSP) FAS 133-1 and FIN 45-4 Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161 . This FSP amends FASB Statement No. 133, Accounting for Derivative Instruments and Hedging Activities, to require disclosures by sellers of credit derivatives, including credit derivatives embedded in a hybrid instrument. This FSP also amends FASB Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, to require an additional disclosure about the current status of the payment/performance risk of a guarantee. Further, this FSP clarifies the Board's intent about the effective date of FASB Statement No. 161, Disclosures about Derivative Instruments and Hedging Activities. This FSP applies to credit derivatives within the scope of Statement 133, hybrid instruments that have embedded credit derivatives, and guarantees within the scope of Interpretation 45. This FSP's amendment to Statement 133 also pertains to hybrid instruments that have embedded credit derivatives (for example, credit-linked notes). The provisions of this FSP that amend Statement 133 and Interpretation 45 are effective for reporting periods (annual or interim) ending after November 15, 2008. This FSP encourages that the amendments to Statement 133 and Interpretation 45 be applied in periods earlier than the effective date to facilitate comparisons at initial adoption. In periods after initial adoption, this FSP requires comparative disclosures only for periods ending subsequent to initial adoption. The adoption of FSP 133-1 and FIN 45-4 did not have a material effect on the Company's consolidated financial statements.

In October 2008, the FASB issued the FASB Staff Position (FSP No. 157-3) which clarifies the application of FASB Statement No. 157, Fair Value Measurements in a market that is not active and provides an example to illustrate key considerations in determining the fair value of a financial asset when the market for that asset is not active. This FSP applies to financial assets within the scope of accounting pronouncements that require or permit fair value measurements in accordance with Statement 157. The FSP was effective upon issuance, including prior periods for which financial statements have not been issued. Revisions resulting from a change in the valuation technique or its application shall be accounted for as a change in accounting estimate (FASB Statement No. 154 Accounting changes and Error Corrections , paragraph 19). The disclosure provisions of Statement No. 154 for a change in accounting estimate are not required for revisions resulting from a change in valuation technique or its application. The application of FSP 157-3 did not have a material effect on the consolidated financial statements of the Company.

In November 2008, the FASB issued its final consensus on Issue 08-8 Accounting for an instrument (or an embedded Feature) with a settlement amount that is based on the stock of an entity's consolidated subsidiary This issue applies to freestanding financial instruments (and embedded features) for which the payoff to the counterparty is based, in whole or in part, on the stock of a consolidated subsidiary. This Issue applies to those instruments (and embedded features) in the consolidated financial statements of the parent, whether the instrument was entered into by the parent or the subsidiary. This Issue was effective for fiscal years beginning on or after December 15, 2008 and interim periods within those fiscal years. Early adoption is not permitted. The consensus shall be applied to outstanding instruments as of the beginning of the fiscal year in which this issue is initially applied. The adoption of Issue 08-8 did not have a material effect on the consolidated financial statements of the Company.

In November 2008, the FASB issued the EITF Issue No. 08-6 Equity Method Investment Accounting Considerations (EITF 08-6) to clarify the accounting for certain transactions and impairment considerations involving equity method investments. The FASB and the IASB concluded a joint effort in converging the accounting for business combinations as well as the accounting and reporting for noncontrolling interests culminating in the issuance

of Statement 141(R) and Statement 160. The objective of that joint effort was not to reconsider the accounting for equity method investments; however, the application of the equity method is affected by the accounting for business combinations and the accounting for consolidated subsidiaries, which were affected by the issuance of Statement 141(R) and Statement 160. EITF 08-6 was effective for fiscal years beginning on or after December 15, 2008, and interim periods within those fiscal years, consistent with the effective dates of Statement 141(R) and Statement 160. EITF 08-6 shall be applied prospectively. Earlier application by an entity that has previously adopted an alternative accounting policy is not permitted. The adoption of EITF 08-6 did not have a material effect on the consolidated financial statements of the Company.

In December 2008, the FASB issued the FASB Staff Position (FSP FAS 140-4 and FIN 46(R)-8) which amends FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities , to require public entities to provide additional disclosures about transfers of financial assets. It also amends FASB Interpretation No. 46 (revised December 2003), Consolidation of Variable Interest Entities , to require public enterprises, including sponsors that have a variable

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interest in a variable interest entity, to provide additional disclosures about their involvement with variable interest entities. Additionally, FSP FAS 140-4 and FIN 46(R)-8 requires certain disclosures to be provided by a public enterprise that is (a) a sponsor of a qualifying special-purpose entity (SPE) that holds a variable interest in the qualifying SPE but was not the transferor (nontransferor) of financial assets to the qualifying SPE and (b) a servicer of a qualifying SPE that holds a significant variable interest in the qualifying SPE but was not the transferor (nontransferor) of financial assets to the qualifying SPE. FSP FAS 140-4 and FIN 46(R)-8 is effective for the first reporting period (interim or annual) ending after December 15, 2008, with earlier application encouraged. The adoption of FSP FAS 140-4 and FIN 46(R)-8 did not have a material effect on the consolidated financial statements of the Company.

In January 2009, the FASB issued the FASB Staff Position Amendments to the Impairment Guidance to EITF Issue No. 99-20 (FSP EITF 99-20-1) which amends the impairment guidance in EITF Issue No. 99-20, Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to Be Held by a Transferor in Securitized Financial Assets, to achieve more consistent determination of whether an other-than-temporary impairment has occurred. FSP EITF 99-20-1 also retains and emphasizes the objective of an other-than-temporary impairment assessment and the related disclosure requirements in FASB Statement No. 115,

Accounting for Certain Investments in Debt and Equity Securities , and other related guidance. FSP EITF 99-20-1 is effective for interim and annual reporting periods ending after December 15, 2008, and shall be applied prospectively. Retrospective application to a prior interim or annual reporting period is not permitted. The adoption of FSP EITF 99-20-1 did not have a material effect on the consolidated financial statements of the Company.

In April 2009, the FASB issued the FASB Staff Position (FAS 107-1 and APB 28-1), which amends FASB Statement No.107, Disclosures about Fair Value of Financial Instruments , to require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies, as well as in annual financial statements. This FSP also amends APB Opinion No. 28, Interim Financial Reporting, to require those disclosures in summarized financial information at interim reporting periods. An entity may early adopt this FSP only if it also elects to early adopt FSP FAS 157-4, Determining Fair Value when the volume and level of activity for the asset or liability have significantly decreased and identifying transactions that are not orderly , and FSP FAS 115-2 and FAS 124-2,

Recognition and Presentation of other-than-temporary impairments . This FSP does not require disclosures for earlier periods presented for comparative purposes at initial adoption. In periods after initial adoption, this FSP requires comparative disclosures only for periods ending after initial adoption. This FSP will be effective for interim reporting periods after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. The adoption of FSP FAS 107-1 and APB 28-1 did not have a material effect on the Company s consolidated financial statements.

In April 2009, the FASB issued the FASB Staff Position (FSP FAS 141(R) 1), which amends and clarifies FASB Statement No. 141 (revised 2007), Business Combinations, to address application issues raised by preparers, auditors, and members of the legal profession on initial recognition and measurement subsequent measurement and accounting, and disclosure of assets and liabilities arising from contingencies in a business combination. FSP FAS 141(R) 1 is effective for assets or liabilities arising from contingencies in business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The adoption of FSP 141(R) 1 did not have a material effect on the consolidated financial statements.

In May 2009, the FASB issued SFAS No. 165 Subsequent events (FAS 165), which establishes principles and requirements for subsequent events. In particular, FAS 165 sets forth: a) the period after the balance sheet date during which management of a reporting entity evaluates events or transactions that may occur for potential recognition or disclosure in the financial statements; b) the circumstances under which an entity recognizes events or transactions occurring after the balance sheet date in its financial statements; and c) the disclosures that an entity makes about events or transactions that occurred after the balance sheet date. FAS 165 has been applied to the accounting for and disclosure of subsequent events not addressed in other applicable generally accepted accounting principles (GAAP). An entity recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements. This Statement is effective for interim or annual financial periods ending after June 15, 2009, and has been applied prospectively. The adoption of FAS 165 did not have any material effect on the

consolidated financial statements of Navios Holdings.

In June 2009, the FASB issued SFAS No. 167, Amendments to FASB Interpretation No. 46(R), which amends certain requirements of FASB Interpretation No. 46 (revised December 2003), Consolidation of Variable Interest Entities (Interpretation 46(R)), to improve financial reporting by enterprises involved with variable interest entities and to provide more relevant and reliable information to users of financial statements. FAS 167 carries forward the scope of Interpretation 46(R), with the addition of entities previously considered qualifying special-purpose entities, as the concept of these entities was eliminated in SFAS No. 166, Accounting for Transfers of Financial Assets (FAS 166). FAS 167 shall be effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period, and for interim and annual reporting periods thereafter. Earlier application is prohibited. FAS 167 retains the scope of Interpretation 46(R)

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with the addition of entities previously considered qualifying special-purpose entities, as the concept of these entities was eliminated in FAS 166. The Company is currently evaluating the potential impact of the adoption of FAS 167 on the Company's consolidated financial statements.

In June 2009, the FASB issued SFAS No. 168, The Hierarchy of Generally Accepted Accounting Principles (FAS 168), which replaces SFAS No. 162 and establishes the FASB Accounting Standards Codification (Codification) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. FAS 168 shall be effective for financial statements issued for interim and annual periods ending after September 15, 2009, except for nonpublic nongovernmental entities that have not followed the guidance included in the AICPA Technical Inquiry Service (TIS) Section 5100, Revenue Recognition, paragraphs 38-76. An entity shall follow the disclosure requirements of FAS 154 and disclose the accounting principles that were used before and after the application of the provisions of FAS 168 and the reason that applying this Statement resulted in a change in accounting principle or correction of an error. The adoption of FAS 168 is not expected to have any material effect on the consolidated financial statements of Navios Holdings.

In June 2009, the FASB issued FASB Statement No. 166 Accounting for Transfers of Financial Assets an amendment of FASB Statement No. 140. (FAS 166). FASB undertook this project to address (1) practices that have developed since the issuance of FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, that are not consistent with the original intent and key requirements of that Statement and (2) concerns of financial statement users that many of the financial assets (and related obligations) that have been derecognized should continue to be reported in the financial statements of transferors. FAS 166 must be applied as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period and for interim and annual reporting periods thereafter. Earlier application is prohibited. FAS 166 must be applied to transfers occurring on or after the effective date. Additionally, on and after the effective date, the concept of a qualifying special-purpose entity is no longer relevant for accounting purposes. Therefore, formerly qualifying special-purpose entities (as defined under previous accounting standards) should be evaluated for consolidation by reporting entities on and after the effective date in accordance with the applicable consolidation guidance. If the evaluation on the effective date results in consolidation, the reporting entity should apply the transition guidance provided in the pronouncement that requires consolidation. Additionally, the disclosure provisions of FAS 166 should be applied to transfers that occurred both before and after its effective date. The Company is currently evaluating the potential impact of the adoption of FAS 166 on the Company's consolidated financial statements.

NAVIOS MARITIME HOLDINGS INC.

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**NAVIOS MARITIME HOLDINGS INC.
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of U.S. dollars)**

	Note	June 30, 2009 (unaudited)	December 31, 2008
ASSETS			
Current assets			
Cash and cash equivalents	4	\$ 211,500	\$ 133,624
Restricted cash		25,531	17,858
Accounts receivable, net of allowance for doubtful accounts of \$9,384 as at June 30, 2009 and \$8,343 as at December 31, 2008		72,996	109,780
Short-term derivative asset	8	108,683	214,156
Short-term backlog asset	6		44
Due from affiliate companies		6,509	1,677
Prepaid expenses and other current assets		27,447	28,270
Total current assets		452,666	505,409
Deposit for vessel acquisitions		477,058	404,096
Vessels, port terminal and other fixed assets, net	5	938,934	737,094
Long-term derivative assets	8	22,223	36,697
Other long-term assets		55,768	46,855
Investments in affiliates		9,166	5,605
Investments in available for sale securities		31,158	22,358
Intangible assets other than goodwill	6	320,285	347,878
Goodwill		147,632	147,632
Total non-current assets		2,002,224	1,748,215
Total assets		\$2,454,890	\$2,253,624
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable		\$ 35,754	\$ 72,520
Dividends payable		6,012	9,096
Accrued expenses		34,216	34,468
Deferred income	5	11,423	11,319
Short-term derivative liability	8	66,205	128,952
Current portion of long-term debt	7	82,190	15,177

Total current liabilities		235,800	271,532
Senior notes, net of discount	7	298,448	298,344
Long-term debt, net of current portion	7	751,446	574,194
Unfavorable lease terms	6	66,458	76,684
Long-term liabilities and deferred income	5	79,513	47,827
Deferred tax liability		23,326	26,573
Long-term derivative liability	8	10,950	23,691
Total non-current liabilities		1,230,141	1,047,313
Total liabilities		1,465,941	1,318,845
Commitments and contingencies	10		
Stockholders equity			
Preferred stock \$0.0001 par value, authorized 1,000,000 shares, 1,870 and none issued and outstanding as of June 30, 2009 and December 31, 2008, respectively			
Common stock \$0.0001 par value, authorized 250,000,000 shares, issued and outstanding, 100,205,184 and 100,488,784 as of June 30, 2009 and December 31, 2008, respectively	9	10	10
Additional paid-in capital	9	502,248	494,719
Accumulated other comprehensive loss			(22,578)
Retained earnings		355,754	333,669
Total stockholders equity		858,012	805,820
Noncontrolling interest		130,937	128,959
Total equity		988,949	934,779
Total liabilities and equity		\$2,454,890	\$2,253,624

See condensed notes to consolidated financial statements

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NAVIOS MARITIME HOLDINGS INC.
CONSOLIDATED STATEMENTS OF INCOME
(Expressed in thousands of U.S. dollars except per share data)

	Note	Three Month Period ended June 30, 2009 (unaudited)	Three Month Period ended June 30, 2008 (unaudited)	Six Month Period ended June 30, 2009 (unaudited)	Six Month Period ended June 30, 2008 (unaudited)
Revenue	12	\$ 142,208	\$ 328,040	\$ 289,376	\$ 654,546
Time charter, voyage and logistic business expenses		(82,883)	(280,548)	(174,682)	(562,476)
Direct vessel expenses		(7,915)	(6,885)	(15,085)	(12,518)
General and administrative expenses		(10,561)	(9,065)	(20,992)	(17,778)
Depreciation and amortization	5,6	(16,377)	(13,837)	(31,917)	(27,442)
Interest income/expense and finance cost, net	7	(14,737)	(9,307)	(29,102)	(18,799)
Gain on derivatives	8	645	7,743	619	10,255
Gain on sale of assets/partial sale of subsidiary		16,790	174	16,790	2,748
Other income/expense, net		(9,784)	536	(10,992)	462
Income before equity in net earnings of affiliate companies		17,386	16,851	24,015	28,998
Equity in net earnings of affiliated companies	14	5,399	6,257	10,499	8,336
Income before taxes		\$ 22,785	\$ 23,108	\$ 34,514	\$ 37,334
Income taxes		962	57,360	1,594	57,868
Net income		23,747	80,468	36,108	95,202
Less: Net income attributable to the noncontrolling interest	3	(1,610)	(1,302)	(1,978)	(1,791)
Net income attributable to Navios Holdings common stockholders		\$ 22,137	\$ 79,166	\$ 34,130	\$ 93,411
Basic net income per share attributable to Navios Holdings common stockholders		\$ 0.22	\$ 0.75	\$ 0.34	\$ 0.88
Weighted average number of shares, basic	13	99,839,013	105,990,135	99,947,002	106,181,035
Diluted net income per share attributable to Navios Holdings common		\$ 0.21	\$ 0.72	\$ 0.33	\$ 0.84

stockholders

Weighted average number of shares, diluted	13	105,281,778	110,452,110	103,562,826	110,574,248
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See condensed notes to consolidated financial statements.

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NAVIOS MARITIME HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of U.S. dollars)

	Six Month Period ended June 30, 2009	Six Month Period ended June 30, 2008
Note	(unaudited)	(unaudited)
OPERATING ACTIVITIES:		
Net income attributable to Navios Holdings common stockholders	\$ 34,130	\$ 93,411
Adjustments to reconcile net income to net cash provided by operating activities:		
Non cash adjustments	34,934	(28,064)
Decrease in operating assets	26,644	36,760
Increase/(Decrease) in operating liabilities	19,839	(36,270)
Payments for dry-dock and special survey costs	(1,831)	(2,288)
Net cash provided by operating activities	113,716	63,549
INVESTING ACTIVITIES:		
Acquisition of subsidiary, net of cash acquired	3	(105,069)
Deposits in escrow in connection with acquisition of subsidiary	3	(5,000)
Restricted cash for assets acquisition		(34,506)
Acquisition of vessels	5 (121,109)	(39,161)
Deposits for vessel acquisitions	5 (105,657)	(81,444)
Receipts from finance lease	268	4,569
Proceeds from sale of assets	6 34,600	35,088
Purchase of property and equipment	5 (28,002)	(36,885)
Net cash used in investing activities	(219,900)	(262,408)
FINANCING ACTIVITIES:		
Proceeds from long-term loan, net of deferred finance fees	7 214,104	104,089
Repayment of long-term debt and payment of principal	7 (6,948)	(24,710)
Dividends paid	(15,129)	(19,191)
Acquisition of treasury stock	9 (717)	(9,130)
Increase in restricted cash	(7,250)	
Issuance of common stock	9	4,494
Net cash provided by financing activities	184,060	55,552
Increase/(decrease) in cash and cash equivalents	77,876	(143,307)
Cash and cash equivalents, beginning of period	133,624	427,567
Cash and cash equivalents, end of period	\$ 211,500	\$ 284,260

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid for interest	\$ 25,472	\$ 21,328
Cash paid for income taxes	\$ 1,191	\$ 1,217

Non-cash investing and financing activities

For issuance of convertible debt in connection with the acquisition of vessels see Note 5.	\$ 31,893	\$
For issuance of preferred stock in connection with the acquisition of vessels see Note 5 and 9.	\$ 7,177	\$

See condensed notes to consolidated financial statements.

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NAVIOS MARITIME HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of U.S. dollars except share data)

	Number of Preferred Shares	Number of Common Shares	Additional Common Stock	Paid-in Capital	Accumulated		Total Stockholders' Equity	Noncontrolling Interest	Total Equity
					Retained Earnings	Other Comprehensive Income/(Loss)			
Balance									
December 31, 2007		\$ 106,412,429	\$ 11	\$ 536,306	\$ 252,826	\$ (19,939)	\$ 769,204	\$	\$ 769,204
Net income					118,527		118,527	1,723	120,250
Other comprehensive income/(loss):									
- Unrealized holding losses on investments in-available-for-sale securities						(22,578)	(22,578)		(22,578)
- Reclassification to earnings						19,939	19,939		19,939
Total comprehensive income							115,888	1,723	117,611
Issuance of common stock (Note 9)		1,351,368		6,756			6,756		6,756
Acquisition of Horamar Noncontrolling interests in subsidiaries of Horamar								96,186	96,186
Acquisition of treasury shares (Note 9)		(7,534,870)	(1)	(51,032)			(51,033)		(51,033)
Stock based compensation expenses (Note 9)		259,857		2,689			2,689		2,689
Dividends declared/ paid					(37,684)		(37,684)		(37,684)
Balance									
December 31, 2008		100,488,784	10	494,719	333,669	(22,578)	805,820	128,959	934,779
Net income					34,130		34,130	1,978	36,108
Other comprehensive income/(loss):									

- Unrealized holding gains on investments in available-for-sale securities				8,800	8,800	8,800		
- Reclassification to earnings				13,778	13,778	13,778		
Total comprehensive income					56,708	1,978	58,686	
Acquisition of treasury shares (Note 9)		(331,900)	(717)		(717)	(717)		
Issuance of preferred stock (Note 9)	1,870		7,177		7,177	7,177		
Stock-based compensation expenses		48,300	1,069		1,069	1,069		
Dividends declared/paid			(12,045)		(12,045)	(12,045)		
Balance June 30, 2009 (unaudited)	1,870	\$ 100,205,184	\$ 10	\$ 502,248	\$ 355,754	\$ 858,012	\$ 130,937	\$ 988,949

See condensed notes to consolidated financial statements.

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**NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars except share data)

NOTE 1 DESCRIPTION OF BUSINESS

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 Maritime Holdings Inc. (Navios Holdings or the Company) 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 January 1, 2008, pursuant to a share purchase agreement, Navios Holdings contributed i) \$112,200 in cash and ii) the authorized capital stock of its wholly-owned subsidiary Corporacion Navios Sociedad Anonima (CNSA) in exchange for the issuance and delivery of 12,765 shares of Navios South American Logistics Inc. (Navios Logistics), representing 63.8% (67.2% excluding contingent consideration) of its outstanding stock. Navios Logistics acquired all ownership interests in the Horamar Group (Horamar) in exchange for i) \$112,200 in cash, of which \$5,000 was kept in escrow (\$2,500 as of December 31, 2008) 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% (32.8% excluding contingent consideration) of Navios Logistics outstanding stock, of which 1,007 shares were kept in escrow (504 shares as of December 31, 2008) pending the EBITDA Adjustment. See Note 3.

On July 1, 2008, the Company completed the initial public offering, or an IPO, of units in its subsidiary, Navios Maritime Acquisition Corporation (Navios Acquisition), a blank check company. In the offering, Navios Acquisition sold 25,300,000 units for an aggregate purchase price of \$253,000. Simultaneously with the completion of the IPO, the Company purchased private placement warrants of Navios Acquisition for an aggregate purchase price of \$7,600 (Private Placement Warrants). Prior to the IPO, Navios Holdings had purchased 8,625,000 units (Sponsor Units) for a total consideration of \$25, of which an aggregate of 290,000 units were transferred to the Company s officers and directors and an aggregate of 2,300,000 Sponsor Units were returned to Navios Acquisition and cancelled upon receipt. Each unit consists of one share of Navios Acquisition s common stock and one warrant (Sponsor Warrants), together with the Private Placement Warrants , the Navios Acquisition Warrants). Currently, the Company owns approximately 6,035,000 (19%) of the outstanding common stock of Navios Acquisition. Navios Acquisition is no longer a wholly-owned subsidiary of the Company but accounted for under the equity method due to the Company s significant influence over Navios Acquisition.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) **Basis of presentation:** The accompanying interim consolidated financial statements are unaudited, but, in the opinion of management, reflect all adjustments for a fair presentation of Navios Holdings consolidated financial position, and cash flows for the periods presented. Adjustments consist of normal, recurring entries. The results of operations for the interim periods are not necessarily indicative of results for the full year. The footnotes are condensed as permitted by the requirements for interim financial statements and accordingly, do not include information and disclosures required under United States generally accepted accounting principles (GAAP) for complete financial statements. These interim financial statements should be read in conjunction with the Company s consolidated financial statements and notes included in Navios Holdings annual report filed on Form 20-F with the Securities Exchange Commission. Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. The 2008 financial information has been recast to reflect the adoption of Statement of Financial Accounting Standards No. 160, Noncontrolling Interests in Consolidated Financial Statement amendments of ARB No. 51.

(b)

Principles of consolidation: The accompanying interim consolidated financial statements include the accounts of Navios Holdings, a Marshall Islands corporation, and its majority owned subsidiaries. All significant inter-company balances and transactions have been eliminated in the consolidated statements.

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**NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars except share data)

Subsidiaries: Subsidiaries are those entities in which the Company has an interest of more than one half of the voting rights and/or otherwise has power to govern the financial and operating policies. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net tangible and intangible assets acquired and liabilities assumed is recorded as goodwill.

Investments in Affiliates and Joint Ventures: Affiliates are entities over which the Company generally has between 20% and 50% of the voting rights, or over which the Company has significant influence, but which it does not exercise control. Joint ventures are entities over which the Company exercises joint control. Investments in these entities are accounted for by the equity method of accounting. Under this method the Company records an investment in the stock of an affiliate or joint venture at cost, and adjusts the carrying amount for its share of the earnings or losses of the affiliate or joint venture subsequent to the date of investment and reports the recognized earnings or losses in income. Dividends received from an affiliate or joint venture; reduce the carrying amount of the investment. When the Company's share of losses in an affiliate or joint venture equals or exceeds its interest in the affiliate, the Company does not recognize further losses, unless the Company has incurred obligations or made payments on behalf of the affiliate or the joint venture.

Subsidiaries included in the consolidation:

Company Name	Nature / Vessel Name	Effective Ownership Interest	Country of Incorporation	Statement of operations			
				2009		2008	
Navios Maritime Holdings Inc.	Holding Company	100%	Marshall Is.	1/1	6/30	1/1	6/30
Navios Corporation	Sub-Holding Company	100%	Marshall Is.	1/1	6/30	1/1	6/30
Navios International Inc.	Operating Company	100%	Marshall Is.	1/1	6/30	1/1	6/30
Navimax Corporation	Operating Company	100%	Marshall Is.	1/1	6/30	1/1	6/30
Navios Handybulk Inc.	Operating Company	100%	Marshall Is.	1/1	6/30	1/1	6/30
Hestia Shipping Ltd.	Operating Company	100%	Malta	1/1	6/30	1/1	6/30
Anemos Maritime Holdings Inc.	Sub-Holding Company	100%	Marshall Is.	1/1	6/30	1/1	6/30
Navios ShipManagement Inc.	Management Company	100%	Marshall Is.	1/1	6/30	1/1	6/30
NAV Holdings Limited	Sub-Holding Company	100%	Malta	1/1	6/30	1/1	6/30
Kleimar N.V.		100%	Belgium	1/1	6/30	1/1	6/30

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	Operating company/Vessel Owning Company						
Kleimar Ltd.	Operating company	100%	Marshall Is.	1/1	6/30	1/1	6/30
Bulkinvest S.A.	Operating company	100%	Luxembourg	1/1	6/30	1/1	6/30
Navios Maritime Acquisition Corporation	Sub-Holding company	100%	Marshall Is.			3/14	6/30
Primavera Shipping Corporation	Operating Company	100%	Marshall Is.	1/1	6/30		
Ginger Services Co.	Operating Company	100%	Marshall Is.	1/1	6/30		

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NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. dollars except share data)

Company Name	Nature / Vessel Name	Effective Ownership Interest	Country of Incorporation	Statement of operations			
				2009		2008	
Astra Maritime Corporation	Operating Company	100%	Marshall Is.	1/1	6/30		
Achilles Shipping Corporation	Operating Company	100%	Marshall Is.	1/1	6/30	1/1	6/30
Apollon Shipping Corporation	Operating Company	100%	Marshall Is.	1/1	6/30	1/1	6/30
Herakles Shipping Corporation	Operating Company	100%	Marshall Is.	1/1	6/30	1/1	6/30
Hios Shipping Corporation	Operating Company	100%	Marshall Is.	1/1	6/30	1/1	6/30
Ionian Shipping Corporation	Operating Company	100%	Marshall Is.	1/1	6/30	1/1	6/30
Kypros Shipping Corporation	Operating Company	100%	Marshall Is.	1/1	6/30	1/1	6/30
Meridian Shipping Enterprises Inc.	Navios Meridian	100%	Marshall Is.	1/1	6/30	1/1	6/30
Mercator Shipping Corporation	Navios Mercator	100%	Marshall Is.	1/1	6/30	1/1	6/30
Arc Shipping Corporation	Navios Arc	100%	Marshall Is.	1/1	6/30	1/1	6/30
Horizon Shipping Enterprises Corporation	Navios Horizon	100%	Marshall Is.	1/1	6/30	1/1	6/30
Magellan Shipping Corporation	Navios Magellan	100%	Marshall Is.	1/1	6/30	1/1	6/30
Aegean Shipping Corporation	Operating Company	100%	Marshall Is.	1/1	6/30	1/1	6/30
Star Maritime Enterprises Corporation	Navios Star	100%	Marshall Is.	1/1	6/30	1/1	6/30
Aurora Shipping Enterprises Ltd.	Navios Hope (ex Navios Aurora I)	100%	Marshall Is.			1/21	06/30
Corsair Shipping Ltd.	Navios Ulysses	100%	Marshall Is.	1/1	6/30		
Rowboat Marine Inc.	Navios Vega	100%	Marshall Is.	1/1	6/30		
Hyperion Enterprises Inc.	Navios Hyperion	100%	Marshall Is.	1/1	6/30	1/1	6/30
Beaufiks Shipping Corporation		100%	Marshall Is.	1/1	6/30	6/19	6/30

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	Vessel Owning Company							
Sagittarius Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	1/1	6/10	3/6	6/30	
Nostos Shipmanagement Corp.	Navios Bonavis	100%	Marshall Is.	1/1	6/30	1/1	6/30	

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NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. dollars except share data)

Company Name	Nature / Vessel Name	Effective Ownership Interest	Country of Incorporation	Statement of operations			
				2009		2008	
Portorosa Marine Corporation (i)	Navios Happiness	100%	Marshall Is.	1/1	6/30	1/1	6/30
Shikhar Ventures S.A (i)	Vessel Owning Company	100%	Liberia	1/1	6/30	1/1	6/30
Sizzling Ventures Inc.	Operating company	100%	Liberia	1/1	6/30	1/1	6/30
Rheia Associates Co.	Operating company	100%	Marshall Is.	1/1	6/30	1/1	6/30
Taharqa Spirit Corp.	Operating company	100%	Marshall Is.	1/1	6/30	1/1	6/30
Rumer Holding Ltd. (i)	Vessel Owning Company	100%	Marshall Is.	1/1	6/30	1/1	6/30
Chilali Corp. (i)	Vessel Owning Company	100%	Marshall Is.	1/1	6/30	1/1	6/30
Pharos Navigation S.A. (i)	Vessel Owning Company	100%	Marshall Is.	1/1	6/30	1/1	6/30
Pueblo Holdings Ltd. (i)	Navios Lumen	100%	Marshall Is.	1/1	6/30		
Surf Maritime Co. (i)	Navios Pollux	100%	Marshall Is.	1/1	6/30		
Quena Shipmanagement Inc.	Operating Company	100%	Marshall Is.	1/1	6/30		
Orbiter Shipping Corp.	Navios Orbiter	100%	Marshall Is.	1/1	6/30	1/1	6/30
White Narcissus Marine S.A.	Navios Asteriks	100%	Panama	1/1	6/30	1/1	6/30
Pandora Marine Inc. (i)	Vessel Owning Company	100%	Marshall Is.	6/11	6/30		
Floral Marine Ltd. (i)	Vessel Owning Company	100%	Marshall Is.	6/11	6/30		
Red Rose Shipping Corp. (i)	Vessel Owning Company	100%	Marshall Is.	6/11	6/30		
Customized Development S.A. (i)		100%	Liberia	6/22	6/30		

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Vessel Owning
Company

Navios G.P. L.L.C.

Operating Company
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100%

Marshall Is.

1/1 6/30

1/1 6/30

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Navios South American Logistics and Subsidiaries:

Company Name	Nature / Vessel Name	Effective Ownership Interest	Country of Incorporation	Statement of operations			
				2009		2008	
Navios South American Logistics Inc.	Sub-Holding Company	65.48%	Marshall Is.	1/1	6/30	1/1	6/30
Corporacion Navios S.A.	Operating Company	65.48%	Uruguay	1/1	6/30	1/1	6/30
Nauticler S.A.	Sub-Holding Company	65.48%	Uruguay	1/1	6/30	1/1	6/30
Compania Naviera Horamar S.A.	Operating Company	65.48%	Argentina	1/1	6/30	1/1	6/30
Compania de Transporte Fluvial Int S.A.	Operating Company	65.48%	Uruguay	1/1	6/30	1/1	6/30
Ponte Rio S.A.	Operating Company	65.48%	Uruguay	1/1	6/30	1/1	6/30
Thalassa Energy S.A.	Barges Owning Company	40.93%	Argentina	1/1	6/30	1/1	6/30
HS Tankers Inc.	Makenita H	33.39%	Panama	1/1	6/30	1/1	6/30
HS Navegation Inc.	Estefania	33.39%	Panama	1/1	6/30	1/1	6/30
HS Shipping Ltd. Inc.	Malva H	40.93%	Panama	1/1	6/30	1/1	6/30
HS South Inc. (ii)	Vessel Owning Company	40.93%	Panama	1/1	6/30	1/1	6/30
Mercopar Internacional S.A.	Holding Company	65.48%	Uruguay	1/1	6/30	1/1	6/30
Nagusa Internacional S.A.	Holding Company	65.48%	Uruguay	1/1	6/30	1/1	6/30
Hidrovia OSR Internacional S.A.	Holding Company	65.48%	Uruguay	1/1	6/30	1/1	6/30
Petrovia Internacional S.A.	Holding Company	65.48%	Uruguay	1/1	6/30	1/1	6/30
Mercopar S.A.	Shipping Company	65.48%	Paraguay	1/1	6/30	1/1	6/30

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Company Name	Nature / Vessel Name	Effective Ownership Interest	Country of Incorporation	Statement of operations			
				2009		2008	
Navigation Guarani S.A.	Shipping Company	65.48%	Paraguay	1/1	6/30	1/1	6/30
Hidrovia OSR S.A.	Oil Spill Response & Salvage Services	65.48%	Paraguay	1/1	6/30	1/1	6/30
Petrovia S.A.	Shipping Company	65.48%	Paraguay	1/1	1/20	1/1	6/30
Mercofluvial S.A.	Shipping Company	65.48%	Paraguay	1/1	6/30	1/1	6/30
Petrolera San Antonio S.A. (PETROSAN)	Oil Storage Plant and Dock Facilities	65.48%	Paraguay	1/1	6/30	1/1	6/30
Flota Mercante Paraguaya S.A.	Shipping Company	65.48%	Paraguay	1/1	2/13	1/1	6/30
Compania de Transporte Fluvial S.A.	Shipping Company	65.48%	Paraguay	1/1	2/13	1/1	6/30
Hidrogas S.A.	Shipping Company	65.48%	Paraguay	1/1	1/20	1/1	6/30
Stability Oceanways S.A.	Shipping Company	65.48%	Panama	1/1	6/30		

(i) Each company has the rights over a shipbuilding contract of a Capesize vessel. (Note 5)

(ii) Each company has the rights over a shipbuilding contract of a tanker vessel.

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Affiliates included in the financial statements accounted for under the equity method:

Company Name	Nature / Vessel Name	Ownership Interest	Country of Incorporation	Statement of operations			
				2009		2008	
				1/1	6/30	1/1	6/30
Navios Maritime Partners L.P.	Sub-Holding Company	34.8%	Marshall Is.	1/1	6/30	1/1	6/30
Navios Maritime Operating L.L.C.	Operating Company	34.8%	Marshall Is.	1/1	6/30	1/1	6/30
Libra Shipping Enterprises Corporation	Navios Libra II	34.8%	Marshall Is.	1/1	6/30	1/1	6/30
Alegria Shipping Corporation	Navios Alegria	34.8%	Marshall Is.	1/1	6/30	1/1	6/30
Felicity Shipping Corporation	Navios Felicity	34.8%	Marshall Is.	1/1	6/30	1/1	6/30
Gemini Shipping Corporation	Navios Gemini S	34.8%	Marshall Is.	1/1	6/30	1/1	6/30
Galaxy Shipping Corporation	Navios Galaxy I	34.8%	Marshall Is.	1/1	6/30	1/1	6/30
Prosperity Shipping Corporation	Navios Prosperity	34.8%	Marshall Is.	1/1	6/30	1/1	6/30
Fantastiks Shipping Corporation	Navios Fantastiks	34.8%	Marshall Is.	1/1	6/30	1/1	6/30
Aldebaran Shipping Corporation	Navios Aldebaran	34.8%	Marshall Is.	1/1	6/30	1/1	6/30
Aurora Shipping Enterprises Ltd.	Navios Hope (ex Navios Aurora I)	34.8%	Marshall Is.	1/1	6/30		
Sagittarius Shipping Corporation	Navios Sagittarius	34.8%	Marshall Is.	6/10	6/30		
Acropolis Chartering & Shipping Inc.	Brokerage Company	50%	Liberia	1/1	6/30	1/1	6/30
Navios Maritime Acquisition Corporation	Sub-Holding Company	19%	Marshall Is.	1/1	6/30		

(c) *Use of estimates:* The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. On an on-going basis, management evaluates the estimates and judgments, including those related to uncompleted voyages, future dry-dock dates, the carrying value of investments in affiliates, the selection of useful lives for tangible assets, expected future cash flows from long-lived assets to support impairment tests, provisions necessary for accounts receivables, provisions for legal

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disputes, pension benefits, and contingencies. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates under different assumptions and/or conditions.

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(d) Recent Accounting Pronouncements:

In December 2007, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 160, Noncontrolling Interests in Consolidated Financial Statements amendments of ARB No. 51 (SFAS No. 160). SFAS No. 160 states that accounting and reporting for minority interests will be recharacterized as noncontrolling interests and classified as a component of equity. The Statement also establishes reporting requirements that provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS No. 160 applies to all entities that prepare consolidated financial statements, except not-for-profit organizations, but will affect only those entities that have an outstanding noncontrolling interest in one or more subsidiaries or that deconsolidate a subsidiary. This statement was effective as of January 1, 2009 and the interim consolidated financial statements were updated to reflect the reporting and disclosure requirements.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), Business Combinations (FAS 141R), which replaces FASB Statement No. 141. FAS 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed any non controlling interest in the acquiree and the goodwill acquired. The Statement also establishes disclosure requirements which will enable users to evaluate the nature and financial effects of the business combination. FAS 141R was effective for Navios Holdings for fiscal year beginning on January 1, 2009 and it did not have a material affect on the Company s consolidated financial statements.

In February 2008, the FASB issued the FASB Staff Position (FSP No. 157-2) which delays the effective date of SFAS 157, for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). For purposes of applying this FSP, nonfinancial assets and nonfinancial liabilities would include all assets and liabilities other than those meeting the definition of a financial asset or financial liability as defined in paragraph 6 of FASB Statement No. 159, The Fair Value Option for Financial Assets and Financial Liabilities. This FSP defers the effective date of SFAS 157 to fiscal years beginning after November 15, 2008, and the interim periods within those fiscal

years for items within the scope of this FSP. The application of SFAS 157 to those items covered by FSP 157-2 did not have a material effect on the consolidated financial statements of the Company.

In March 2008, the FASB issued SFAS No. 161 (SFAS 161)

Disclosures about Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133 . SFAS 161 changes the disclosure requirements for derivative instruments and hedging activities. Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. This Statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. This Statement encourages, but does not require, comparative disclosures for earlier periods at initial adoption. The adoption of SFAS 161 did not have a material effect on the Company's consolidated financial statements.

In April 2008, FASB issued FASB Staff Position FSP 142-3 Determination of the useful life of intangible assets . This FASB Staff Position (FSP) amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB Statement No. 142,

Goodwill and Other Intangible Assets . The intent of this FSP is to improve the consistency between the useful life of a recognized intangible asset under Statement 142 and the period of expected cash flows used to measure the fair value of the asset under FASB Statement No. 141 (revised 2007), Business Combinations , and other U.S. generally accepted accounting principles (GAAP). This FSP was effective for Navios Holdings for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. The adoption of FSP 142-3 did not have a material effect on the consolidated financial statements of the Company.

In May 2008, the Financial Accounting Standards Board issued FASB Statement No. 162, The Hierarchy of Generally Accepted Accounting Principles . The new standard is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with U.S. generally accepted accounting principles (GAAP) for nongovernmental entities. Statement No. 162 is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board Auditing amendments to AU Section 411, The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles. The application of this statement did not have a material effect on the Company's consolidated financial statements.

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In June 2008, FASB issued FASB Staff Position FSP EITF 03-6-1 Determining whether instruments granted in share-based payment transactions are participating securities. This FASB Staff Position (FSP) addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting and, therefore, need to be included in the earnings allocation in computing earnings per share (EPS) under the two-class method described in paragraphs 60 and 61 of FASB Statement No. 128, Earnings per Share. This FSP was effective for the Company for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. All prior-period EPS data presented shall be adjusted retrospectively (including interim financial statements, summaries of earnings, and selected financial data) to conform with the provisions of this FSP. The adoption of FSP EITF 03-6-1 did not have a material effect on the Company's consolidated financial statements.

In September 2008, Financial Accounting Standards Board issued FASB Staff Positions (FSP) FAS 133-1 and FIN 45-4 Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161. This FSP amends FASB Statement No. 133, Accounting for Derivative Instruments and Hedging Activities, to require disclosures by sellers of credit derivatives, including credit derivatives embedded in a hybrid instrument. This FSP also amends FASB Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, to require an additional disclosure about the current status of the payment/performance risk of a guarantee. Further, this FSP clarifies the Board's intent about the effective date of FASB Statement No. 161, Disclosures about Derivative Instruments and Hedging Activities. This FSP applies to credit derivatives within the scope of Statement 133, hybrid instruments that have embedded credit derivatives, and guarantees within the scope of Interpretation 45. This FSP's amendment to Statement 133 also pertains to hybrid instruments that have embedded credit derivatives (for example, credit-linked notes). The provisions of this FSP that amend Statement 133 and Interpretation 45 are effective for reporting periods (annual or interim) ending after November 15, 2008. This FSP encourages that the amendments to Statement 133 and Interpretation 45 be applied in periods earlier than the effective date to facilitate comparisons at initial adoption. In periods after initial adoption, this FSP requires comparative disclosures only for periods ending subsequent to initial adoption. The adoption of FSP 133-1 and FIN 45-4 did not have a material effect on the Company's consolidated financial statements.

In October 2008, the FASB issued the FASB Staff Position (FSP No. 157-3) which clarifies the application of FASB Statement No. 157, Fair Value Measurements in a market that is not active and provides an example to illustrate key considerations in determining the fair value of a financial asset when the market for that asset is not active. This FSP applies to financial assets within the scope of accounting pronouncements that require or permit fair value measurements in accordance with Statement 157. The FSP was effective upon issuance, including prior periods for which financial statements have not been issued. Revisions resulting from a change in the valuation technique or its application shall be accounted for as a change in accounting estimate (FASB Statement No. 154 Accounting changes and Error Corrections, paragraph 19). The disclosure provisions of Statement No. 154 for a change in accounting estimate are not required for revisions resulting from a change in valuation technique or its application. The application of FSP 157-3 did not have a material effect on the consolidated financial statements of the Company.

In November 2008, the FASB issued its final consensus on Issue 08-8 Accounting for an instrument (or an embedded Feature) with a settlement amount that is based on the stock of an entity's consolidated subsidiary. This issue applies to freestanding financial instruments (and embedded features) for which the payoff to the counterparty is based, in whole or in part, on the stock of a consolidated subsidiary. This Issue applies to those instruments (and embedded features) in the consolidated financial statements of the parent, whether the instrument was entered into by the parent or the subsidiary. This Issue was effective for fiscal years beginning on or after December 15, 2008 and interim periods within those fiscal years. Early adoption is not permitted. The consensus shall be applied to outstanding instruments as of the beginning of the fiscal year in which this issue is initially applied. The adoption of Issue 08-8 did not have a material effect on the consolidated financial statements of the Company.

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In November 2008, the FASB issued the EITF Issue No. 08-6 Equity Method Investment Accounting Considerations (EITF 08-6) to clarify the accounting for certain transactions and impairment considerations involving equity method investments. The FASB and the IASB concluded a joint effort in converging the accounting for business combinations as well as the accounting and reporting for noncontrolling interests culminating in the issuance of Statement 141(R) and Statement 160. The objective of that joint effort was not to reconsider the accounting for equity method investments; however, the application of the equity method is affected by the accounting for business combinations and the accounting for consolidated subsidiaries, which were affected by the issuance of Statement 141(R) and Statement 160. EITF 08-6 was effective for fiscal years beginning on or after December 15, 2008, and interim periods within those fiscal years, consistent with the effective dates of Statement 141(R) and Statement 160. EITF 08-6 shall be applied prospectively. Earlier application by an entity that has previously adopted an alternative accounting policy is not permitted. The adoption of EITF 08-6 did not have a material effect on the consolidated financial statements of the Company.

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In December 2008, the FASB issued the FASB Staff Position (FSP FAS 140-4 and FIN 46(R)-8) which amends FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities , to require public entities to provide additional disclosures about transfers of financial assets. It also amends FASB Interpretation No. 46 (revised December 2003), Consolidation of Variable Interest Entities , to require public enterprises, including sponsors that have a variable interest in a variable interest entity, to provide additional disclosures about their involvement with variable interest entities. Additionally, FSP FAS 140-4 and FIN 46(R)-8 requires certain disclosures to be provided by a public enterprise that is (a) a sponsor of a qualifying special-purpose entity (SPE) that holds a variable interest in the qualifying SPE but was not the transferor (nontransferor) of financial assets to the qualifying SPE and (b) a servicer of a qualifying SPE that holds a significant variable interest in the qualifying SPE but was not the transferor (nontransferor) of financial assets to the qualifying SPE. FSP FAS 140-4 and FIN 46(R)-8 is effective for the first reporting period (interim or annual) ending after December 15, 2008, with earlier application encouraged. The adoption of FSP FAS 140-4 and FIN 46(R)-8 did not have a material effect on the consolidated financial statements of the Company.

In January 2009, the FASB issued the FASB Staff Position Amendments to the Impairment Guidance to EITF Issue No. 99-20 (FSP EITF 99-20-1) which amends the impairment guidance in EITF Issue No. 99-20, Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to Be Held by a Transferor in Securitized Financial Assets, to achieve more consistent determination of whether an other-than-temporary impairment has occurred. FSP EITF 99-20-1 also retains and emphasizes the objective of an other-than-temporary impairment assessment and the related disclosure requirements in FASB Statement No. 115, Accounting for Certain Investments in Debt and Equity Securities , and other related guidance. FSP EITF 99-20-1 is effective for interim and annual reporting periods ending after December 15, 2008, and shall be applied prospectively. Retrospective application to a prior interim or annual reporting period is not permitted. The adoption of FSP EITF 99-20-1 did not have a material effect on the consolidated financial statements of the Company.

In April 2009, the FASB issued the FASB Staff Position (FAS 107-1 and APB 28-1), which amends FASB Statement No. 107, Disclosures about Fair Value of Financial Instruments , to require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies, as well as in annual financial statements. This FSP also amends APB Opinion No. 28, Interim Financial Reporting, to require those disclosures in summarized financial information at interim reporting periods. An entity may early adopt this FSP only if it also elects to early adopt FSP FAS 157-4, Determining Fair Value when the volume and level of activity for the asset or liability have significantly decreased and identifying transactions that are not orderly , and FSP FAS 115-2 and FAS 124-2,

Recognition and Presentation of other-than-temporary impairments . This FSP does not require disclosures for earlier periods presented for comparative purposes at initial adoption. In periods after initial adoption, this FSP requires comparative disclosures only for periods ending after initial adoption. This FSP will be effective for interim reporting periods after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. The adoption of FSP FAS 107-1 and APB 28-1 did not have a material impact on the Company's consolidated financial statements.

In April 2009, the FASB issued the FASB Staff Position (FSP FAS 141(R) 1), which amends and clarifies FASB Statement No. 141 (revised 2007), Business Combinations , to address application issues raised by preparers, auditors, and members of the legal profession on initial recognition and measurement subsequent measurement and accounting, and disclosure of assets and liabilities arising from contingencies in a business combination. FSP FAS 141(R) 1 is effective for assets or liabilities arising from contingencies in business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The adoption of FSP 141(R) 1 did not have a material effect on the consolidated financial statements.

In May 2009, the FASB issued SFAS No. 165 Subsequent events (FAS 165), which establishes principles and requirements for subsequent events. In particular, FAS 165 sets forth: a) the period after the balance sheet date during which management of a reporting entity evaluates events or transactions that may occur for potential recognition or

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disclosure in the financial statements; b) the circumstances under which an entity recognizes events or transactions occurring after the balance sheet date in its financial statements; and c) the disclosures that an entity makes about events or transactions that occurred after the balance sheet date. FAS 165 has been applied to the accounting for and disclosure of subsequent events not addressed in other applicable generally accepted accounting principles (GAAP). An entity recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements. This Statement is effective for interim or annual financial periods ending after June 15, 2009, and has been applied prospectively. The adoption of FAS 165 did not have any material effect on the consolidated financial statements of Navios Holdings.

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In June 2009, the FASB issued SFAS No. 167, Amendments to FASB Interpretation No. 46(R), which amends certain requirements of FASB Interpretation No. 46 (revised December 2003), Consolidation of Variable Interest Entities (Interpretation 46(R)), to improve financial reporting by enterprises involved with variable interest entities and to provide more relevant and reliable information to users of financial statements. FAS 167 carries forward the scope of Interpretation 46(R), with the addition of entities previously considered qualifying special-purpose entities, as the concept of these entities was eliminated in SFAS No. 166, Accounting for Transfers of Financial Assets (FAS 166). FAS 167 shall be effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period, and for interim and annual reporting periods thereafter. Earlier application is prohibited. FAS 167 retains the scope of Interpretation 46(R) with the addition of entities previously considered qualifying special-purpose entities, as the concept of these entities was eliminated in FAS 166. The Company is currently evaluating the potential impact of the adoption of FAS 167 on the Company's consolidated financial statements.

In June 2009, the FASB issued SFAS No. 168, The Hierarchy of Generally Accepted Accounting Principles (FAS 168), which replaces SFAS No. 162 and establishes the FASB Accounting Standards Codification (Codification) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. FAS 168 shall be effective for financial statements issued for interim and annual periods ending after September 15, 2009, except for nonpublic nongovernmental entities that have not followed the guidance included in the AICPA Technical Inquiry Service (TIS) Section 5100, Revenue Recognition, paragraphs 38-76. An entity shall follow the disclosure requirements of FAS 154 and disclose the accounting principles that were used before and after the application of the provisions of FAS 168 and the reason that applying this Statement resulted in a change in accounting principle or correction of an error. The adoption of FAS 168 is not expected to have any material effect on the consolidated financial statements of Navios Holdings.

In June 2009, the FASB issued FASB Statement No. 166 Accounting for Transfers of Financial Assets an amendment of FASB Statement No. 140. (FAS 166). FASB undertook this project to address (1) practices that have developed since the issuance of FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, that are not consistent with the original intent and key requirements of that Statement and (2) concerns of financial statement users that many of the financial assets (and related obligations) that have been derecognized should continue to be reported in the financial statements of transferors. FAS 166 must be applied as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period and for interim and annual reporting periods thereafter. Earlier application is prohibited. FAS 166 must be applied to transfers occurring on or after the effective date. Additionally, on and after the effective date, the concept of a qualifying special-purpose entity is no longer relevant for accounting purposes. Therefore, formerly qualifying special-purpose entities (as defined under previous accounting standards) should be evaluated for consolidation by reporting entities on and after the effective date in accordance with the applicable consolidation guidance. If the evaluation on the effective date results in consolidation, the reporting entity should apply the transition guidance provided in the pronouncement that requires consolidation. Additionally, the disclosure provisions of FAS 166 should be applied to transfers that occurred both before and after its effective date. The Company is currently evaluating the potential impact of the adoption of FAS 166 on the Company's consolidated financial statements.

NOTE 3: ACQUISITION/REINCORPORATION***Acquisition of Horammar Group***

On January 1, 2008, pursuant to a share purchase agreement, Navios Holdings contributed i) \$112,200 in cash and ii) the authorized capital stock of its wholly-owned subsidiary CNSA, in exchange for the issuance and delivery of

12,765 shares of Navios Logistics, representing 63.8% (67.2% excluding contingent consideration) of its outstanding stock. Navios Logistics acquired all ownership interests in the Horamar Group (Horamar) in exchange for i) \$112,200 in cash, of which \$5,000 was kept in escrow (\$2,500 as of December 31, 2008) 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% (32.8% excluding contingent consideration) of Navios Logistics outstanding stock, of which 1,007 shares were kept in escrow (504 shares as of December 31, 2008) pending the EBITDA Adjustment.

In November 2008, part of the contingent consideration for the acquisition of Horamar was released, as Horamar achieved the interim EBITDA target. Following the resolution of the contingency, \$2,500 in cash and 503 shares were released to the shareholders of Horamar. In accordance with the amended share purchase agreement, the final EBITDA target may be resolved until December 31, 2009.

Horamar is a privately held Argentina-based group that specializes in the transportation and storage of liquid cargoes and the transportation of dry bulk cargoes in South America. The cash contribution for the acquisition of Horamar was financed entirely by existing cash. Through the acquisition of Horamar, Navios Holdings formed Navios Logistics, an end-to-end logistics business

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through the combination of its existing port operations in Uruguay with the barge and up-river port businesses that specializes in the transportation and storage of liquid cargoes and the transportation of dry bulk cargoes in South America.

The table below shows the Company's determination of the cost of acquisition and how that cost was allocated to the fair value of assets and liabilities at the acquisition date, January 1, 2008.

Adjusted purchase price

Consideration to sellers (cash), excluding contingent consideration	\$ 109,700
Fair value of 34.5% ownership in CNSA	26,901
Total consideration given for 65.5% acquired interest in Horamar	136,601
Proforma purchase price 100%	208,552
Transaction costs	3,461
Total proforma purchase price 100%	212,013
Fair value of assets and liabilities acquired	
Vessel fleet	128,838
Petrosan port tangible assets	12,557
Customer relationships	35,490
Tradenames and trademarks	10,420
Favorable contracts	3,780
Favorable construction contracts	7,600
Petrosan port operating rights	3,060
Unfavorable contracts	(3,010)
Deferred taxes	(27,287)
Long-term debt assumed	(11,665)
Minority interests in subsidiaries of Horamar	(31,050)
Other long-term assets/liabilities	488
Net working capital, including cash retained of \$5,592	5,970
Fair value of identifiable assets and liabilities of Horamar	135,191
Goodwill	\$ 76,822

Following the release of the escrow in November 2008, as a result of Horamar achieving the interim EBITDA target, goodwill increased by \$11,638, to reflect the changes in minority interests. Excluding the remaining contingent consideration still in escrow, Navios Holdings currently holds 65.5% of Navios Logistics' outstanding stock.

Goodwill arising from the acquisition has all been allocated to the Company's Logistics Business segment. None of the goodwill is deductible for tax purposes.

The acquired intangible assets and liabilities, listed below, as determined at the acquisition date and where applicable, are amortized using the straight-line method over the periods indicated below:

Weighted Average	Six Month Period ended	Six Month Period ended
---------------------	------------------------------	------------------------------

Description	Amortization Period (Years)	June 30,	June 30,
		2009	2008
		Amortization	Amortization
Customer relationships	20	\$ (887)	\$ (887)
Tradenames and trademarks	10	\$ (521)	\$ (521)
Favorable contracts	4	\$ (414)	\$ (473)
Petrosan port operating rights	20	\$ (77)	\$ (77)
Favorable construction contracts (*)		\$	\$
Unfavorable contracts	2	\$ 753	\$ 753

(*) This amount is not amortized and when the vessel is delivered, will be capitalized as part of the cost of the vessel and will be depreciated over the remaining useful life of the vessel. (Note 6). Following the delivery of the tanker vessel, Makenita H, \$3,200 has been transferred to the cost of the vessel as of June 30, 2009.

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The following is a summary of the acquired identifiable intangible assets as of June 30, 2009:

Description	Gross Amount	Accumulated Amortization	Net Amount
Customer relationships	\$ 35,490	\$ (2,662)	\$ 32,828
Tradenames and trademarks	\$ 10,420	\$ (1,563)	\$ 8,857
Favorable contracts	\$ 3,780	\$ (1,241)	\$ 2,539
Favorable construction contracts	\$ 4,400	\$	\$ 4,400
Petrosan port operating rights	\$ 3,060	\$ (230)	\$ 2,830
Unfavorable contracts	\$ (3,010)	\$ 2,258	\$ (752)
Totals	\$ 54,140	\$ (3,438)	\$ 50,702

NOTE 4: CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	June 30, 2009	December 31, 2008
Cash on hand and at banks	\$ 20,344	\$ 28,976
Short-term deposits and highly liquid funds	191,156	104,648
Total cash and cash equivalents	\$ 211,500	\$ 133,624

NOTE 5: VESSELS, PORT TERMINAL AND OTHER FIXED ASSETS

Vessels	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2008	\$ 538,587	\$ (54,322)	\$ 484,265
Additions	192,655	(12,686)	179,969
Balance June 30, 2009	\$ 731,242	\$ (67,008)	\$ 664,234

Port Terminals	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2008	\$ 44,425	\$ (3,879)	\$ 40,546
Additions	2,396	(1,079)	1,317
Transfer to port terminals	13,131	(1,728)	11,403
Balance June 30, 2009	\$ 59,952	\$ (6,686)	\$ 53,266

Accumulated Net Book

Tanker vessels, barges and push boats	Cost	Depreciation	Value
Balance December 31, 2008	\$ 220,673	\$ (13,436)	\$ 207,237
Additions	28,655	(7,858)	20,797
Transfer to port terminals	(13,131)	1,728	(11,403)
Balance June 30, 2009	\$ 236,197	\$ (19,566)	\$ 216,631
Other fixed assets	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2008	\$ 6,966	\$ (1,920)	\$ 5,046
Additions	150	(393)	(243)
Balance June 30, 2009	\$ 7,116	\$ (2,313)	\$ 4,803
Total	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2008	\$ 810,651	\$ (73,557)	\$ 737,094
Additions	223,856	(22,016)	201,840
Balance June 30, 2009	\$ 1,034,507	\$ (95,573)	\$ 938,934

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As of June 30, 2009, Navios Holdings executed purchase options comprising of four Ultra Handymax, six Panamax and one Capesize vessels. Navios Meridian, Navios Mercator, Navios Arc, Navios Galaxy I, Navios Magellan, Navios Horizon, Navios Star, Navios Hyperion, Navios Orbiter, Navios Hope and Navios Fantastiks were delivered on November 30, 2005, December 30, 2005, February 10, 2006, March 23, 2006, March 24, 2006, April 10, 2006, December 4, 2006, February 26, 2007, February 7, 2008, April 24, 2008 and May 2, 2008, respectively. The rights to Navios Fantastiks were sold to Navios Partners, on November 15, 2007, while Navios Hope was sold to Navios Partners on July 1, 2008. The sale price of Navios Hope consisted of \$35,000 in cash and \$44,936 in common units (3,131,415 common units) of Navios Partners. The investment in the 3,131,415 common units has been classified as Investments in available-for-sale securities. The gain from the sale of Navios Hope was \$51,508, of which, \$24,940 had been recognized at the time of sale in the statements of income under Gain on sale of assets. The remaining \$26,568 which represented profit to the extent of Navios Holdings' interest in Navios Partners has been deferred under Long term liabilities and deferred income and is being recognized to income as the vessel is amortized over its remaining useful life or until it is sold. Following Navios Partners' public equity offering of 3,500,000 common units in May 2009, Navios Holdings' interest in Navios Partners decreased from 51.6% to 44.6% and \$3,464 of the deferred gain has been recognized in the statements of income under Equity in net earnings of affiliated companies. As of June 30, 2009, the unamortized portion of the gain was \$21,916, of which the portion to be amortized over the next year amounting to \$1,047 is classified under Deferred income. The amortization of deferred income is included in Equity in net earnings of affiliated companies in the statements of income.

Since July 2007, Navios Holdings entered into agreements for the acquisition of 11 Capesize vessels to be built in South Korea and Japan. On November 4, 2008, Navios Holdings cancelled three of the contracts for a total cancellation fee of \$1,500 which was expensed. The shipyard installments paid for the construction of these vessels will be spread against the payments for the construction of the remaining Capesize vessels under construction by the same shipyard. The aggregate acquisition cost of the eight Capesize vessels is approximately \$900,400. Their delivery is expected in various dates until the first quarter of 2010. Navios Holdings has paid as of June 30, 2009, an amount of \$438,590 in cash (including interest earned of \$1,060) and \$20,000 in shares (1,397,624 common shares at \$14.31 per share based on the price on the acquisition date) as interim payments for the purchase of these vessels and it is included in Deposits for vessel acquisitions. Part of the consideration amounting to \$52,820, can be paid with preferred shares at the Company's option upon delivery of the vessels. All of these preferred shares will have similar characteristics as the preferred shares described in Note 9.

The first Capesize vessel, Navios Bonavis, with a capacity of 180,022 dwt, was delivered on June 29, 2009 for an acquisition price of approximately \$120,515.

In June 2009, Navios Holdings entered into agreements to acquire four Capesize vessels for its wholly owned fleet. Their delivery is expected in various dates in 2010 until the first quarter of 2011. Total consideration for the vessels is \$324,450. Part of the consideration amounting to \$93,700, can be paid with preferred shares at the Company's option upon delivery of the vessels. All of these preferred shares have similar characteristics with the preferred shares described in Note 9. As of June 30, 2009, Navios Holdings paid an amount of \$5,975 in cash and issued 1,870 preferred shares which have a nominal value of \$18,700 and a fair value of \$7,177. See also Note 9. The total amount of \$13,152 has been included in Deposits for vessel acquisitions.

Since March 2008, Navios Logistics through its subsidiaries, entered into agreements for the acquisition of a fleet for transporting dry and wet cargo on the river in the Hidrovia region. This fleet consists of push boats, dry barges and wet barges. The fleet's acquisition amounted to an aggregate of approximately \$72,000.

In June 2008, Navios Holdings entered into agreements to acquire two Ultra Handymax vessels for its wholly owned fleet. The first vessel, Navios Ulysses, is a 2007-built, 55,728 dwt, Ultra Handymax built in Japan that was delivered on October 10, 2008. The vessel's purchase price was approximately \$79,123. The second vessel, Navios Vega, is a 58,792 dwt, 2009-built Ultra Handymax built in Japan that was delivered on February 18, 2009 for an

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acquisition cost of approximately \$72,140, of which \$40,000 was paid in cash and the remaining was paid through the issuance of a 2% convertible debt with a three-year maturity. As of December 31, 2008, Navios Holdings paid an amount of \$14,700 as deposit for the purchase of the Navios Vega and it is included in Deposits for vessel acquisitions .

In September 2008, Navios Logistics began construction of a new silo at its port facility in Uruguay. The silo was operational as of the beginning of the third quarter of 2009 and is expected to add an additional 80,000 metric tons of storage capacity. As of June 30, 2009, Navios Logistics paid an amount of \$7,108 for the construction of the new silo.

On June 2, 2009, Navios Logistics took delivery of the Makenita H, a tanker vessel. The purchase price of the vessel amounted to approximately \$25,100.

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NOTE 6: INTANGIBLE ASSETS OTHER THAN GOODWILL

Intangible assets as of June 30, 2009 and December 31, 2008 consist of the following:

	Acquisition Cost	Accumulated Amortization	Disposal/Transfer to vessel cost	Net Book Value June 30, 2009	
June 30, 2009					
Trade name	\$ 100,420	\$ (12,382)	\$	\$ 88,038	
Port terminal operating rights	34,060	(3,211)		30,849	
Customer relationships	35,490	(2,662)		32,828	
Favorable construction contracts	7,600		(3,200)	4,400	
Favorable lease terms(**)	255,816	(87,338)	(4,308)	164,170	
Total Intangible assets	433,386	(105,593)	(7,508)	320,285	
Unfavorable lease terms(*)	(130,523)	64,065		(66,458)	
Backlog assets	14,830	(14,830)			
Total	\$ 317,693	\$ (56,358)	\$ (7,508)	\$ 253,827	
			Fair value measurement due to acquisition of		
	Acquisition Cost	Accumulated Amortization	Transfer to vessel cost	Fair value measurement due to acquisition of subsidiary	Net Book Value December 31, 2008
December 31, 2008					
Trade name	\$ 90,000	\$ (10,467)	\$	\$ 10,420	\$ 89,953
Port terminal operating rights	31,000	(2,750)		3,060	31,310
Customer relationships		(1,774)		35,490	33,716
Favorable construction contracts				7,600	7,600
Favorable lease terms(**)	269,277	(73,900)	(13,858)	3,780	185,299
Total Intangible assets	390,277	(88,891)	(13,858)	60,350	347,878
Unfavorable lease terms(*)	(127,513)	53,839		(3,010)	(76,684)
Backlog assets	14,830	(14,786)			44
Total	\$ 277,594	\$ (49,838)	\$ (13,858)	\$ 57,340	\$ 271,238

(*) Includes
\$15,890 of

unfavorable purchase options held by third parties, which are not amortized. If an option is exercised by the third party, the liability will be included in the calculation of gain/loss on sale of the related vessel. As of June 30, 2009 and December 31, 2008, no purchase options have been exercised.

(**) Includes \$36,517 of favorable purchase options which are not amortized and should the purchase options be exercised, any unamortized portion of this asset will be capitalized as part of the cost of the vessel and will be depreciated over the remaining useful life of the vessel. As of June 30, 2009, \$8,585 had been transferred to the acquisition cost of vessels and \$2,885 had

been written-off
following the
sale of Navios
Sagittarius
(2008: \$8,585).

On June 10, 2009, Navios Holdings sold to Navios Partners the rights of Navios Sagittarius, a 2006 Japanese-built Panamax vessel with a capacity of 75,756 dwt, for a cash consideration of \$34,600. The book value assigned to the vessel was \$4,308, resulting in gain from her sale of \$30,292, of which, \$16,782 had been recognized at the time of sale in the statements of income under Gain on sale of assets and the remaining \$13,510 representing profit of Navios Holdings' 44.6% interest in Navios Partners has been deferred under Long term liabilities and deferred income and is being recognized to income based on the remaining terms of the vessel's contract rights or until the vessel's rights are sold. The portion to be amortized over the next year is classified under Deferred income. A portion of the deferred gain would also be recognized if Navios Holdings' interest in Navios Partners decreases. As of June 30, 2009, the unamortized portion of the gain was \$13,419, of which \$1,651 is classified under Deferred income. The amortization of deferred income is included in Equity in net earnings of affiliated companies in the statements of income.

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NOTE 7: BORROWINGS

Borrowings consist of the following:

	June 30, 2009
Loan Facility HSH Nordbank and Commerzbank A.G.	\$ 245,663
Revolver Facility HSH Nordbank and Commerzbank A.G.	80,667
Loan Facility Emporiki Bank	82,380
Loan DVB Bank	16,800
Loan DNB NOR Bank	36,000
Commerzbank A.G.	60,000
Loan Marfin Egnatia Bank	70,000
Revolving credit facility Marfin Egnatia Bank	90,000
Loan Facility Marfin Egnatia Bank	110,000
Convertible debt	33,500
Other long-term loans	10,233
Senior notes	300,000
Total borrowing	1,135,243
Less unamortized discount	(3,159)
Less current portion	(82,190)
Total long term borrowings	\$ 1,049,894

Senior notes: In December 2006, the Company issued \$300,000 senior notes at 9.5% fixed rate due on December 15, 2014. The senior notes are fully and unconditionally guaranteed, jointly and severally and on an unsecured senior basis, by all of Company's subsidiaries, other than the Uruguayan subsidiary. The Company has the option to redeem the notes in whole or in part, at any time (1) before December 15, 2010, at a redemption price equal to 100% of the principal amount, (2) on or after December 15, 2010, at redemption prices as defined in the agreement and (c) at any time before December 15, 2009, up to 35% of the aggregate principal amount of the notes with the net proceeds of a public equity offering at 109.5% of the principal amount of the notes, plus accrued and unpaid interest, if any, so long as at least 65% of the originally issued aggregate principal amount of the notes remains outstanding after such redemption. Furthermore, upon occurrence of certain change of control events, the holders of the notes may require the Company to repurchase some or all of the notes at 101% of their face amount. Pursuant to the covenant regarding asset sales, the Company has to repay the senior notes at par plus interest with the proceeds of certain asset sales if the proceeds from such asset sales are not reinvested in the business within a specified period or used to pay secured debt. Under a registration rights agreement the Company and the guarantors filed a registration statement no later than June 25, 2007 which became effective on July 5, 2007, enabling the holders of notes to exchange the privately placed notes with publicly registered notes with identical terms. The senior notes contain covenants which, among other things, limit the incurrence of additional indebtedness, issuance of certain preferred stock, the payment of dividends, redemption or repurchase of capital stock or making restricted payments and investments, creation of certain liens, transfer or sale of assets, entering in transactions with affiliates, merging or consolidating or selling all or substantially all of Company's properties and assets and creation or designation of restricted subsidiaries.

Loan Facilities: In February 2007, Navios Holdings entered into a secured loan facility with HSH Nordbank and Commerzbank AG maturing on October 31, 2014. The facility is composed of a \$280,000 term loan facility and a

\$120,000 reducing revolver facility. In April 2008, the Company entered into an agreement for the amendment of the facility due to a prepayment of \$10,000.

After the amendment the term loan facility is repayable in 19 quarterly payments of \$2,647, seven quarterly payments of \$5,654 and a balloon payment of \$166,382. The revolver credit facility is available for future acquisitions and general corporate and working capital purposes. As of June 30, 2009, the amount available under the revolver facility was \$11,000 and the amount drawn was \$80,667.

The loan facility requires compliance with the covenants contained in the senior notes. The loan facility also requires compliance with financial covenants including, specified Security Value Maintenance (SVM) to total debt percentage and minimum liquidity. It is an event of default under the credit facility if such covenants are not complied with or if Angeliki Frangou, the Company's Chairman and Chief Executive Officer, beneficially owns less than 20% of the issued stock.

In March 2009, Navios Holdings amended its facility agreement with HSH Nordbank and Commerzbank A.G., effective as of November 15, 2008, as follows: (a) to reduce the SVM ratio (ratio of the charter-free valuations of the mortgaged vessels over the outstanding loan amount) from 125% to 100%; (b) to obligate Navios Holdings to accumulate cash reserves into a pledged account with the agent bank of \$14,000 (\$5,000 in March 2009 and \$1,125 on each loan repayment date during 2009 and 2010, starting from January 2009); and (c) to set the margin at 200 bps. The amendment is effective until January 31, 2010. On June 30, 2009, Navios Holdings was in compliance with the financial covenants, including the SVM ratio, as required under its amended facility agreement.

In December 2007, Navios Holdings entered into a facility agreement with Emporiki Bank of Greece of up to \$154,000 in order to partially finance the construction of two Capesize bulk carriers. In July 2009, following an amendment of the above mentioned agreement, the amount of the facility has been changed to up to \$130,000. The principal amount is available for partial drawdown according to terms of the payment of the shipbuilding contracts. As of June 30, 2009, the amount drawn was \$82,380. The amended

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facility is repayable upon delivery of the Capesize vessels in 10 semi-annual installments of \$6,000 and 10 semi-annual installments of \$4,000 with a final payment of \$30,000 on the last payment date. The interest rate of the amended facility is based on a margin of 175 bps. The loan facility requires compliance with the covenants contained in the senior notes. After the delivery of the vessels the loan also requires compliance with certain financial covenants.

On March 31, 2008, Nauticler S.A. entered into a \$70,000 loan facility for the purpose of providing Nauticler S.A. with investment capital to be used in connection with one or more investment projects. The loan is repayable in one installment by March 2011 and bears interest at LIBOR plus 1.75%. In March 2009, Navios Logistics transferred its loan facility of \$70,000 to Marfin Popular Bank Public Co. Ltd. The loan provided for one additional year extension and an increase in margin to 275 bps.

In June 2008, Navios Holdings entered into a facility agreement with DNB NOR BANK ASA of up to \$133,000 in order to partially finance the construction of two Capesize bulk carriers. In June 2009, following an amendment of the above-mentioned agreement, one of the two tranches amounting to \$66,500 has been cancelled following the cancellation of one of the two Capesize bulk carriers. The principal amount is available for partial drawdown according to terms of the payment of the shipbuilding contract. As of June 30, 2009, the amount drawn was \$36,000. The amended facility is repayable six months following the delivery of the Capesize vessel in 11 semi-annual installments of \$2,900, with a final payment of \$34,600 on the last payment date. The interest rate of the amended facility is based on a margin of 225 bps as defined in the new agreement.

In December 2008, Navios Holdings entered into a \$90,000 revolving credit facility with Marfin Egnatia Bank for general corporate purposes. The loan is repayable in one installment in December 2010 and bears interest based on a margin of 275 bps.

In February 2009, Navios Holdings concluded a facility of up to \$120,000 with Dekabank Deutsche Girozentrale to finance the acquisition of two Capesize vessels. The loan is repayable upon delivery of the Capesize vessels in 20 semi-annual installments and bears an interest rate based on a margin of 1.90%. The loan facility requires compliance with the covenants contained in the senior notes. The loan also requires compliance with certain financial covenants. As of June 30, 2009, no amount has been drawn under this facility.

In February 2009, Navios Holdings issued a \$33,500 convertible debt at a fixed rate of 2% exercisable at a price of \$11.00 per share, exercisable until February 2012, in order to partially finance the acquisition of the Navios Vega. Interest is payable semi-annually. Unless previously converted, the amount is payable in February 2012. The Company has the option to redeem the debt in whole or in part in multiples of a thousand dollars, at any time (1) before February 2010 at a redemption price equal to 105% of the principal amount to be redeemed and (2) any time thereafter at a redemption price equal to 100% of the principal amount to be redeemed. The convertible debt was recorded at fair market value on issuance at a discounted face value of 94.5%. The fair market value was determined using a binomial stock price tree model that considered both the debt and conversion features. The model used takes into account the credit spread of the Company, the volatility of its stock, as well as the price of its stock at the issuance date.

In March 2009, Navios Holdings concluded a loan facility with Marfin Egnatia Bank of up to \$110,000 to be used for general corporate purposes. \$57,200 of the facility are repayable upon delivery of two Capesize vessels during 2009 and the remaining is repayable in one installment in February 2011. It bears interest at a rate based on a margin of 2.75%. As of June 30, 2009, the full amount had been drawn.

In June 2009, Navios Holdings entered into a new facility agreement of up to \$240,000 (divided into four tranches of \$60,000) with Commerzbank AG in order to partially finance the acquisition of a Capesize vessel and the construction of three Capesize vessels. The principal amount for the three Capesize vessels under construction is available for partial drawdown according to the terms of the payment of the shipbuilding contracts. Each tranche of the facility is repayable starting three months after the delivery of each Capesize vessel in 40 quarterly installments of \$882 with a final payment of \$24,706 on the last payment date. It bears interest at a rate based on a margin of 225 bps.

As of June 30, 2009, the amount drawn under this facility was \$60,000. The loan facility requires compliance with the covenants contained in the senior notes. The loan also requires compliance with certain financial covenants. On June 30, 2009, Navios Holdings was in compliance with the financial covenants as required under the facility agreement.

Loans Assumed: The outstanding credit facilities as of June 30, 2009 assumed upon acquisition of Kleimar and Horamar are described below.

On August 4, 2005, Kleimar entered into a \$21,000 loan facility with DVB Bank for the purchase of a vessel. The loan is repayable in 20 quarterly installments of \$280 each with a final balloon payment of \$15,400 in August 2010. The loan is secured by a mortgage on a vessel together with assignment of earnings and insurances. As of June 30, 2009, \$16,800 was outstanding under this facility.

In connection with the acquisition of Horamar, the Company assumed a \$9,500 loan facility that was entered into by HS Shipping Ltd. Inc. in 2006, in order to finance the building of a 8,900 dwt double hull tanker (Malva H). The loan bears interest at LIBOR plus 5.5% during the construction period, which lasted until February 2008. After the vessel delivery the interest rate is LIBOR plus 1.5%. The loan will be repaid by installments that shall not be less than 90% of the amount of the last hire payment due to be paid to HS Shipping Ltd. Inc. The repayment date should not exceed December 31, 2011. The loan can be pre-paid before such date, with two days written notice. Borrowings under the loan are subject to certain financial covenants and restrictions on dividend payments and other related items. As of June 30, 2009, HS Shipping Ltd. Inc. is in compliance with all the covenants.

In connection with the acquisition of Horamar, the Company assumed a \$2,286 loan facility that was entered into by Thalassa Energy S.A. in October 2007, in order to finance the purchase of two self-propelled barges (Formosa and San Lorenzo). The loan bears interest at LIBOR plus 1.5%. The loan will be repaid by five equal installments of \$457, two of which were made in November 2008 and June 2009, and the remaining three will be repaid in January 2010, August 2010 and March 2011. Borrowings

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under the loan are subject to certain financial covenants and restrictions on dividend payments and other related items. As of June 30, 2009, Thalassa Energy S.A. is in compliance with all the covenants. The loan is secured by a first priority mortgage over the two self-propelled barges (Formosa and San Lorenzo).

NOTE 8: DERIVATIVES AND FAIR VALUE OF FINANCIAL INSTRUMENTS***Warrants***

The Company accounts for the Navios Acquisition Warrants (see Note 1), which were obtained in connection with its investment Navios Acquisition under SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities (SFAS 133). SFAS 133 establishes accounting and reporting standards for derivative instruments and other hedging activities. In accordance with SFAS 133, the Company records the Navios Acquisition Warrants in the consolidated balance sheets under Long term derivative assets at fair value, with changes in fair value recorded in Other expense in the consolidated statements of income.

During the year ended June 30, 2009, the changes in net unrealized holding gains on warrants amounted to \$3,813 and \$4,222 for the three and six month periods ended June 30, 2009 (\$0 and \$0 for the three and six months periods ended June 30, 2008).

Interest rate risk

The Company entered into interest rate swap contracts as economic hedges to its exposure to variability in its floating rate long term debt. Under the terms of the interest rate swaps, the Company and the bank agreed to exchange at specified intervals, the difference between paying fixed rate and floating rate interest amount calculated by reference to the agreed principal amounts and maturities. Interest rate swaps allow the Company to convert long-term borrowings issued at floating rates into equivalent fixed rates. Even though the interest rate swaps were entered into for economic hedging purposes, the derivatives described below do not qualify for accounting purposes as cash flow hedges, under SFAS 133, as the Company does not have currently written contemporaneous documentation, identifying the risk being hedged, and both on a prospective and retrospective basis, performed an effective test supporting that the hedging relationship is highly effective. Consequently, the Company recognizes the change in fair value of these derivatives in the statement of income.

For the six month periods ended June 30, 2009, and 2008, the realized loss on interest rate swaps was \$971 and \$824, respectively. As of June 30, 2009 and December 31, 2008, the outstanding net liability was \$1,811 and \$2,907, respectively. The movement in the unrealized gain/(loss) for the three month periods ended June 30, 2009 and 2008, was \$507 and \$1,257, respectively and for the six month periods ended June 30, 2008 was \$1,096 and (\$356), respectively.

The swap agreements have been entered into by subsidiaries. The Royal Bank of Scotland swap agreements have been collateralized by a cash deposit of \$1,200. The Alpha Bank swap agreement has been guaranteed by the Company. The HSH Nordbank swap agreements are bound by the same securities as the secured credit facility.

Forward Freight Agreements (FFAs)

The Company actively trades in the FFAs market with both an objective to utilize them as economic hedging instruments that are highly effective in reducing the risk on specific vessel(s), freight commitments, or the overall fleet or operations, and to take advantage of short term fluctuations in the market prices. FFAs trading generally have not qualified as hedges for accounting purposes, except as discussed below, and as such, the trading of FFAs could lead to material fluctuations in the Company's reported results from operations on a period to period basis.

Dry bulk shipping FFAs generally have the following characteristics: they cover periods from one month to one year; they can be based on time charter rates or freight rates on specific quoted routes; they are executed between two parties and give rise to a certain degree of credit risk depending on the counterparties involved and they are settled monthly based on publicly quoted indices.

For FFAs that qualify for hedge accounting the changes in fair values of the effective portion representing unrealized gain or losses are recorded under Accumulated Other Comprehensive Income/(Loss) in the stockholders

equity while the unrealized gains or losses of the FFAs not qualifying for hedge accounting together with the ineffective portion of those qualifying for hedge accounting, are recorded in the statement of operations under

Gain/(Loss) on Forward Freight Agreements . The gains/(losses) included in Accumulated Other Comprehensive Income/(Loss) are being reclassified to earnings under Revenue in the statement of operations in the same period or periods during which the hedged forecasted transaction affects earnings. The reclassification to earnings commenced in the third quarter of 2006 and extended until December 31, 2008, depending on the period or periods during which the hedged forecasted transactions will affect earnings. All of the amount included in Accumulated Other Comprehensive Income/(Loss) had been reclassified to earnings as of December 31, 2008. For the period ended June 30, 2008, \$6,152 losses, included in Accumulated Other Comprehensive Income/ (Loss) , were reclassified to earnings.

At June 30, 2009 and December 31, 2008, none of the mark to market positions of the open dry bulk FFA contract, qualified for hedge accounting treatment. Dry bulk FFAs traded by the Company that do not qualify for hedge accounting are shown at fair value through the statement of operations.

The net (losses)/gains from FFAs amounted to \$(3,178) and \$6,448, for the three month periods ended June 30, 2009, and 2008, respectively and \$(3,728) and \$11,336 for the six month periods ended June 30, 2009 and 2008, respectively.

During each of the periods ended June 30, 2009, and 2008, the changes in net unrealized losses on FFAs amounted to \$8,167 and \$2,811, respectively.

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The open dry bulk shipping FFAs at net contracted (strike) rate after consideration of the fair value settlement rates is summarized as follows:

	June 30,	December
	2009	31,
		2008
Forward Freight Agreements (FFAs)		
Short-term FFA derivative asset	\$ 66,981	\$ 130,844
Long-term FFA derivative asset	15,683	34,379
Short-term FFA derivative liability	(64,484)	(126,577)
Long-term FFA derivative liability	(10,860)	(23,159)
Net fair value on FFA contracts	\$ 7,320	\$ 15,487
NOS FFAs portion of fair value transferred to NOS derivative account (*)	\$ (7,242)	\$ (15,470)
LCH FFAs portion of fair value transferred to LCH derivative account (**)	\$ 48,944	\$ 98,782

The open interest rate swaps, after consideration of their fair value, are summarized as follows:

	June 30,	December
	2009	31,
		2008
Interest Rate Swaps		
Short-term interest rate swap liability	(1,721)	(2,375)
Long-term interest rate swap liability	(90)	(532)
Net fair value of interest rate swap contract	\$ (1,811)	\$ (2,907)

Reconciliation of balances

Total of balances related to derivatives and financial instruments:

	June 30,	December
	2009	31,
		2008
FFAs	\$ 7,320	\$ 15,487
NOS FFAs portion of fair value transferred to NOS derivative account (*)	(7,242)	(15,470)
LCH FFAs portion of fair value transferred to LCH derivative account (**)	48,944	98,782
Warrants	6,540	2,318
Interest rate swaps	(1,811)	(2,907)
Total	\$ 53,751	\$ 98,210

Balance Sheet Values

	June 30, 2009	December 31, 2008
Total short-term derivative asset	\$ 108,683	\$ 214,156
Total long-term derivative asset	22,223	36,697
Total short-term derivative liability	(66,205)	(128,952)
Total long-term derivative liability	(10,950)	(23,691)
Total	\$ 53,751	\$ 98,210

(*) NOS: The Norwegian Futures and Options Clearing House (NOS Clearing ASA).

(**) LCH: The London Clearing House.

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Fair value of financial instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and cash equivalents: The carrying amounts reported in the consolidated balance sheets for interest bearing deposits approximate their fair value because of the short maturity of these investments.

Forward contracts: The estimated fair value of forward contracts and other assets was determined based on quoted market prices.

Borrowings: The carrying amount of the floating rate loans approximates its fair value. Only the senior notes have a fixed rate and their fair value is indicated in the table below.

Interest rate swaps: The fair value of the interest rate swaps is the estimated amount that the Company would receive or pay to terminate the swaps at the reporting date by obtaining quotes from financial institutions.

Forward freight agreements: The fair value of forward freight agreements is the estimated amount that the Company would receive or pay to terminate the agreement at the reporting date by obtaining quotes from brokers or exchanges.

The estimated fair values of the Company's financial instruments are as follows:

	June 30, 2009	
	Book Value	Fair Value
Cash and cash equivalent	211,500	211,500
Restricted cash	25,531	25,531
Trade receivables	72,996	72,996
Accounts payable	(35,754)	(35,754)
Senior notes	(298,448)	(246,750)
Long-term debt	(833,636)	(833,636)
Available for sale securities	31,158	31,158
Interest rate swaps	(1,811)	(1,811)
Warrants	6,540	6,540
Forward Freight Agreements, net	7,320	7,320

The following tables set forth by level the Company's assets and liabilities that are measured at fair value on a recurring basis. As required by SFAS 157, assets and liabilities are categorized in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Fair Value Measurements as of June 30, 2009			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
FFAs	\$ 82,664	\$ 82,664	\$	\$
Navios Acquisition Warrants	6,540		6,540	
Investments in available for sale securities	31,158	31,158		
Total	\$ 120,362	\$ 113,822	\$ 6,540	\$

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		Fair Value Measurements as of June 30, 2009		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities	Total			
FFAs	\$ 75,344	\$ 75,344	\$	\$
Interest rate swap contracts	1,811		1,811	
Total	\$ 77,155	\$ 75,344	\$ 1,811	\$

		Fair Value Measurements as of December 31, 2008		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets	Total			
FFAs	\$ 165,223	\$ 165,223	\$	\$
Navios Acquisition Warrants	2,318		2,318	
Investments in available for sale securities	22,358	22,358		
Total	\$ 189,899	\$ 187,581	\$ 2,318	\$

		Fair Value Measurements as of December 31, 2008		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities	Total			
FFAs	\$ 149,736	\$ 149,736	\$	\$
Interest rate swap contracts	2,907		2,907	
Total	\$ 152,643	\$ 149,736	\$ 2,907	\$

The Company's FFAs are valued based on published quoted market prices. Navios Acquisition Warrants are valued based on quoted market indices. Investments in available for sale securities are valued based on published quoted market prices. Interest rate swaps are valued using pricing models and the Company generally uses similar models to value similar instruments. Where possible, the Company verifies the values produced by its pricing models to market prices. Valuation models require a variety of inputs, including contractual terms, market prices, yield curves, credit

spreads, measures of volatility, and correlations of such inputs. The Company's derivatives trade in liquid markets, and as such, model inputs can generally be verified and do not involve significant management judgment. Such instruments are typically classified within Level 2 of the fair value hierarchy.

NOTE 9: PREFERRED AND COMMON STOCK

On January 2 and January 23, 2008, Navios Holdings issued 10,000 and 3,534, restricted shares of common stock respectively, to its employees. Until December 31, 2008, 1,083 restricted shares of common stock were forfeited upon termination of employment and 3,266 restricted shares were surrendered.

On January 23, 2008, the Company issued 25,310 restricted stock units to its employees. At the time each underlying unit vests, the Company will issue common shares to these employees. The restricted stock units do not have any voting or dividend rights until issuance of the respective shares.

During the year ended December 31, 2008, Navios Holdings issued 1,351,368 shares of common stock, following the exercise of warrants generating proceeds of \$6,757. The remaining 6,451,337 non exercised warrants were expired and cancelled on December 9, 2008 in accordance with their terms.

On February 14, 2008, the Board of Directors approved a share repurchase program for up to \$50,000 of the Navios Holdings' common stock. Share repurchases were made pursuant to a program adopted under Rule 10b5-1 under the Securities Exchange Act. On October 20, 2008, Navios Holdings concluded such program with 6,959,290 shares repurchased, for a total consideration of \$50,000.

In November 2008, the Board of Directors approved a share repurchase program for up to \$25,000 of the Navios Holdings' common stock. Share repurchases are made pursuant to a program adopted under Rule 10b5-1 under the Securities Exchange Act. The program does not require any minimum purchase or any specific number or amount of shares and may be suspended or reinstated at any time in Navios Holdings' discretion and without notice. Repurchases are subject to restrictions under the terms of the Company's credit facilities and indenture. As at June 30, 2009 and December 31, 2008, 331,900 and 575,580 shares, respectively were repurchased under this program, for a total consideration of \$717 and \$1,033, respectively.

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On December 16, 2008, pursuant to the stock plan approved by the Board of Directors Navios Holdings issued 250,672 restricted shares of common stock to its employees.

Following the issuances and cancellations of the shares, described above, Navios Holdings had, as of December 31, 2008, 100,488,784 shares of common stock outstanding.

On January 3, 2009, 12,658 restricted shares were issued to the Company's employees following the vesting of restricted stock units.

On February 5, 2009, pursuant to the stock plan approved by the Board of Directors Navios Holdings issued 55,675 restricted shares of common stock to its employees.

During the six month period ended June 30, 2009, 20,033 restricted shares of common stock were forfeited upon termination of employment.

On June 23, 2009, Navios Holdings issued 1,870 preferred shares at \$10,000 nominal value per share to partially finance the construction of one Capesize vessel. Each preferred share has a par value of \$0.0001. Each holder of preferred stock is entitled to receive 2% dividend on the nominal value of the preferred stock. Five years after the issuance date 30% of the then-outstanding preferred stock shall automatically convert into shares of common stock at a conversion price equal to \$10.00 per preferred share. Ten years after the issuance date the remaining balance of the then-outstanding preferred stock shall automatically convert into shares of common stock at a conversion price equal to \$10.00 per preferred share. At any time following the third anniversary from their issuance date, if the closing price of the common stock has been at least \$20.00 per share, for 10 consecutive business days, the remaining balance of the then-outstanding preferred shares shall automatically convert at a conversion price equal to \$14.00 per share of common stock. The holders of preferred stock shall be entitled, at their option, at any time following their issuance date and prior to their final conversion date, to convert all or any such then-outstanding preferred shares into common stock at a conversion price equal to \$14.00 per preferred share. Preferred shares were recorded at fair market value on issuance at \$7,177. The fair market value was determined using a binomial valuation model. The model used takes into account the credit spread of the Company, the volatility of its stock, as well as the price of its stock at the issuance date.

Following the issuances and cancellations of the shares, described above, Navios Holdings had, as of June 30, 2009, 100,205,184 shares of common stock outstanding.

NOTE 10: COMMITMENTS AND CONTINGENCIES

As of June 30, 2009, the Company was contingently liable for letters of guarantee and letters of credit amounting to \$5,841 (2008: \$2,490) issued by various banks in favor of various organizations of which \$1,691 (\$2008: \$1,534) are collateralized by cash deposits, which are included as a component of restricted cash.

On November 30, 2006, the Company received notification that one of its FFA trading counterparties filed for bankruptcy in Canada. The exposure to such counterparty was estimated to be approximately \$7,658. While the recovery to be obtained in any liquidation proceeding can not be estimated, based on management's expectations and assumptions the Company had provided for \$5,361 in its 2006 financial statements, an additional \$500 in its 2008 financial statements and \$291 in its March 2009 financial statements. No further information has developed since then which would change management's expectations and assumptions either to increase or decrease the provision. As of June 30, 2009, an amount of \$1,415 was recovered.

The Company is involved in various disputes and arbitration proceedings arising in the ordinary course of business. Provisions have been recognized in the financial statements for all such proceedings where the Company believes that a liability may be probable, and for which the amounts are reasonably estimable, based upon facts known at the date the financial statements were prepared. In the opinion of management, the ultimate disposition of these matters is immaterial and will not adversely affect the Company's financial position, results of operations or liquidity.

Upon acquisition, the Company's subsidiaries in South America were contingently liable for various claims and penalties towards the local tax authorities amounting to \$6,632. The respective provision for such contingencies is

included in Other long-term liabilities . According to the acquisition agreement, if such cases are materialized against the Company, the amounts involved will be reimbursed by the previous shareholders, and, as such, the Company has recognized a respective receivable (included in Other long-term assets) against such liability. The contingencies are expected to be resolved in the next five years. In the opinion of management, the ultimate disposition of these matters is immaterial and will not adversely affect the Company's financial position, results of operations or liquidity.

The Company, in the normal course of business, entered into contracts to time charter-in vessels for various periods through June 2023.

NOTE 11: TRANSACTIONS WITH RELATED PARTIES

Office rent: On January 2, 2006, Navios Corporation and Navios ShipManagement Inc., two wholly-owned subsidiaries of Navios Holdings, entered into two lease agreements with Goldland Ktimatiki-Ikodomiki-Touristiki and Xenodohiaki Anonimos Eteria, a Greek corporation which is partially owned by relatives of Angeliki Frangou, Navios Holdings' Chairman and Chief Executive Officer. The lease agreements provide for the leasing of two facilities located in Piraeus, Greece, of approximately 2,034.3 square meters and houses the operations of most of the Company's subsidiaries. The total annual lease payments are EUR 420

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(approximately \$600) and the lease agreements expire in 2017. The Company believes the terms and provisions of the lease agreements were the same as those that would have been agreed with a non-related third party. These payments are subject to annual adjustments starting from the third year which are based on the inflation rate prevailing in Greece as reported by the Greek State at the end of each year.

On October 31, 2007, Navios ShipManagement Inc., a wholly-owned subsidiary of Navios Holdings, entered into a lease agreement with Emerald Ktimatiki-Ikodomiki-Touristiki and Xenodohiaki Anonimos Eteria, a Greek corporation that is partially owned by relatives of Angeliki Frangou, Navios Holdings Chairman and Chief Executive Officer. The lease agreement provides for the leasing of one facility in Piraeus, Greece, of approximately 1,367.5 square meters and houses part of the operations of the Company. The total annual lease payments are EUR 420 (approximately \$600) and the lease agreement expires in 2019. These payments are subject to annual adjustments starting from the third year which are based on the inflation rate prevailing in Greece as reported by the Greek State at the end of each year.

Purchase of services: The Company utilizes Acropolis Chartering and Shipping Inc. (Acropolis) as a broker. Commissions paid to Acropolis for each of the three month periods ended June 30, 2009 and 2008, were \$54 and \$397, respectively and for the six months periods ended June 30, 2009 and 2008, were \$133 and \$728, respectively. The Company owns 50% of the common stock of Acropolis. During the period ended June 30, 2009 and the year ended December 31, 2008, the Company received dividends of \$878 and \$1,928, respectively. Included in the trade accounts payable at June 30, 2009 and December 31, 2008 is an amount of \$192 and \$185, respectively, which is due to Acropolis.

Management fees: Pursuant to a management agreement dated November 16, 2007, Navios Holdings provides commercial and technical management services to Navios Partners vessels for a daily fee of \$4,000 per owned Panamax vessel and \$5,000 per owned Capesize vessel. This daily fee covers all of the vessels operating expenses, including the cost of dry-dock and special surveys. The daily rates are fixed for a period of two years whereas the initial term of the agreement is five years commencing from November 16, 2007. Total management fees for the three month periods ended June 30, 2009 and 2008 amounted to \$2,639 and \$2,119, respectively and for the six month periods ended June 30, 2009 and 2008, \$5,249 and \$3,939, respectively.

General and administrative expenses: Pursuant to the administrative services agreement dated November 16, 2007, Navios Holdings provides administrative services to Navios Partners which include: bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations, among other things. Navios Holdings is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Total general and administrative fees charged for the three months periods ended June 30, 2009 and 2008 amounted to \$605 and \$250, respectively and for the six month period ended June 30, 2009 and 2008, \$955 and \$520, respectively.

Balance due from affiliates: Balances due from affiliates as of June 30, 2009 amounted to \$6,509 (2008: \$1,677) which included the current amounts of \$6,372 due from Navios Partners (2008: \$1,541). The balance mainly consists of management fees, administrative fees and other expenses.

Sale of Navios Hope: On July 1, 2008, Navios Hope was sold to Navios Partners in accordance with the terms of the omnibus agreement. The sale price consisted of \$35,000 in cash and \$44,936 in common units (3,131,415 common units) of Navios Partners. The investment in the 3,131,415 common units is classified as Investments in available for sale securities. The gain from the sale of Navios Hope was \$51,508 of which \$24,940 was recognized at the time of sale in the statements of income under Gain on sale of assets. The remaining \$26,568 which represents profit to the extent of Navios Holdings ownership interest in Navios Partners had been deferred under Long-term liabilities and deferred income and amortized over the remaining life of the vessel or until it is sold. Following Navios Partners public equity offering of 3,500,000 common units in May 2009, Navios Holdings interest in Navios Partners decreased to 44.6%. As a result of this decrease, \$3,464 of the deferred gain has been recognized in the statements of

income under Equity in net earnings of affiliated companies . As of June 30, 2009, the unamortized portion of the gain was \$21,916 (See Note 5).

Sale of rights of Navios Sagittarius: On June 10, 2009, Navios Holdings sold to Navios Partners the rights of Navios Sagittarius, a 2006 Japanese-built Panamax vessel with a capacity of 75,756 dwt, for a cash consideration of \$34,600. The book value assigned to the vessel was \$4,308, resulting in gain from her sale of \$30,292, of which, \$16,782 had been recognized at the time of sale in the statements of income under Gain on sale of assets and the remaining \$13,510 representing profit of Navios Holdings 44.6% interest in Navios Partners has been deferred under Long term liabilities and deferred income and is being recognized to income based on the remaining term of the vessel s contract rights or until the vessel s rights are sold. As of June 30, 2009, the unamortized portion of the gain was \$13,419. (See Note 6).

Navios Bonavis: On June 9, 2009, Navios Holdings relieved Navios Partners from its obligation to purchase the Capesize vessel Navios Bonavis for \$130,000 and with the delivery of the Navios Bonavis to Navios Holdings, Navios Partners was granted a 12-month option to purchase the vessel for \$125,000. In return, Navios Partners issued to Navios Holdings 1,000,000 subordinated Series A units. Navios Holdings recognized in its results a non-cash compensation income amounting to \$6,082. The 1,000,000 subordinated Series A units are included in Investments in affiliates . (See Note 14).

Navios Acquisition: On July 1, 2008, Navios Holdings purchased 7,600,000 warrants from Navios Acquisition for a total consideration of \$7,600 (\$1.00 per warrant) in the private placement that occurred simultaneously with the completion of its IPO. Each Sponsor Warrant will entitle the holder to purchase from Navios Acquisition one share of common stock at an exercise price of \$7.00. Prior to the IPO, Navios Holdings had purchased 8,625,000 Sponsor Units for a total consideration of \$25, of which an

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aggregate of 290,000 units were transferred to the Company's officers and directors and an aggregate of 2,300,000 Sponsor Units were returned to Navios Acquisition and cancelled upon receipt. Each unit consists of one share of Navios Acquisition's common stock and one Sponsor Warrant. (See Note 1).

On March 31, 2008, Navios Holdings provided a non-interest bearing loan of \$500 to Navios Acquisition which was repaid during 2008.

Navios Acquisition presently occupies office space provided by Navios Holdings. Navios Holdings has agreed that, until the consummation of a business combination, it will make such office space available for use by Navios Acquisition, as well as certain office and secretarial services, as may be required from time to time. Navios Acquisition has agreed to pay Navios Holdings \$10 per month for such services and the charge is included in general and administrative expenses. Total general and administrative fees charged for the three and six months periods ended June 30, 2009 amounted to \$30 and \$60, respectively. The charge in the respective periods of 2008 was \$0. As of June 30, 2009 and December 31, 2008, the balance due from Navios Acquisition was \$136 and \$136, respectively.

NOTE 12: SEGMENT INFORMATION

The Company has two reportable segments from which it derives its revenues: Vessel Operations and Logistics Business. Starting in 2008 following the acquisition of Horamar and the formation of Navios Logistics, the Company renamed its Port Terminal Segment to Logistics Business Segment, to include the activities of Horamar which provides similar products and services in the region that Navios Holdings' existing port facility currently operates. The reportable segments reflect the internal organization of the Company and are strategic businesses that offer different products and services. The Vessel Operations business consists of transportation and handling of bulk cargoes through ownership, operation, and trading of vessels, freight, and forward freight agreements. The Logistics Business consists of operating ports and transfer station terminals, handling of vessels, barges and push boats as well as up-river transport facilities in the Hidrovia region.

The Company measures segment performance based on net income. Inter-segment sales and transfers are not significant and have been eliminated and are not included in the following tables. Summarized financial information concerning each of the Company's reportable segments is as follows:

	Vessel Operations		Logistics Business		Total	
	Three Month Period ended June 30, 2009	Three Month Period ended June 30, 2008	Three Month Period ended June 30, 2009	Three Month Period ended June 30, 2008	Three Month Period ended June 30, 2009	Three Month Period ended June 30, 2008
Revenue	\$ 107,111	\$ 302,494	\$ 35,097	\$ 25,546	\$ 142,208	\$ 328,040
Gain on derivatives	645	7,743			645	7,743
Interest income/expense and finance cost, net	(13,735)	(8,355)	(1,002)	(952)	(14,737)	(9,307)
Depreciation and amortization	(11,181)	(10,160)	(5,196)	(3,677)	(16,377)	(13,837)
Equity in net earnings of affiliated companies	5,399	6,257			5,399	6,257
Net income attributable to Navios Holdings	18,710	75,496	3,427	3,670	22,137	79,166

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common stockholders

Total assets	1,956,205	1,746,916	498,685	443,618	2,454,890	2,190,534
Capital expenditures	158,320	100,558	26,620	32,216	184,940	132,774
Goodwill	56,239	56,239	91,393	79,759	147,632	135,998
Investments in affiliates	\$ 9,166	\$ 4,253	\$		\$ 9,166	\$ 4,253

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	Vessel Operations		Logistics Business		Total	
	Six Month Period ended June 30, 2009	Six Month Period ended June 30, 2008	Six Month Period ended June 30, 2009	Six Month Period ended June 30, 2008	Six Month Period ended June 30, 2009	Six Month Period ended June 30, 2008
Revenue	\$ 224,934	\$ 607,487	\$ 64,442	\$ 47,059	\$ 289,376	\$ 654,546
Gain on derivatives	619	10,255			619	10,255
Interest income/expense and finance cost, net	(27,350)	(17,508)	(1,752)	(1,291)	(29,102)	(18,799)
Depreciation and amortization	(21,290)	(19,644)	(10,627)	(7,798)	(31,917)	(27,442)
Equity in net earnings of affiliated companies	10,499	8,336			10,499	8,336
Net income attributable to Navios Holdings common stockholders	30,514	87,965	3,616	5,446	34,130	93,411
Total assets	1,956,205	1,746,916	498,685	443,618	2,454,890	2,190,534
Capital expenditures	226,846	232,074	27,922	35,485	254,768	267,559
Goodwill	56,239	56,239	91,393	79,759	147,632	135,998
Investments in affiliates	\$ 9,166	\$ 4,253	\$		\$ 9,166	\$ 4,253

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NOTE 13: EARNINGS PER COMMON SHARE

Earnings per share are calculated by dividing net income by the average number of shares of Navios Holdings outstanding during the period. Fully diluted earnings per share assumes the 7,650,200 and 7,725,927 weighted average number of warrants outstanding for the three and six month periods ended June 30, 2008, were exercised at the warrant price of \$5.00 generating proceeds of \$38,251 and \$38,630, respectively and the proceeds were used to buy back shares of common stock at the average market price during the respective period. The remaining 6,451,337 warrants not exercised, expired on December 9, 2008, at 5:00 p.m., New York City time.

	Three Month Period ended June 30, 2009	Three Month Period ended June 30, 2008
Numerator:		
Net income attributable to Navios Holdings common stockholders	22,137	79,166
Denominator:		
Denominator for basic net income per share attributable to Navios Holdings common stockholders weighted average shares	99,839,013	105,990,135
Dilutive potential common shares weighted average		
Restricted stock and restricted units	527,310	185,576
Convertible preferred stock and convertible debt	4,915,455	
Warrants outstanding weighted average		7,650,200
Proceeds on exercises of warrants		\$ 38,251,000
Number of shares to be repurchased		3,373,801
Dilutive (anti-dilutive) effect of securities warrants	5,442,765	4,461,975
Denominator for diluted net income per share attributable to Navios Holdings common stockholders adjusted weighted shares and assumed conversions	105,281,778	110,452,110
Basic net income per share attributable to Navios Holdings common stockholders	\$ 0.22	\$ 0.75
Diluted net income per share attributable to Navios Holdings common stockholders	\$ 0.21	\$ 0.72
	Six Month Period ended June 30, 2009	Six Month Period ended June 30, 2008
Numerator:		
Net income attributable to Navios Holdings common stockholders	34,130	93,411
Denominator:		
	99,947,002	106,181,035

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Denominator for basic net income per share attributable to Navios Holdings common stockholders weighted average shares			
Dilutive potential common shares weighted average			
Restricted stock and restricted units	464,111		182,044
Convertible preferred stock and convertible debt	3,151,414		
Warrants outstanding weighted average			7,725,927
Proceeds on exercises of warrants		\$	38,629,635
Number of shares to be repurchased			3,514,758
Dilutive (anti-dilutive) effect of securities warrants	3,615,823		4,393,213
Denominator for diluted net income per share attributable to Navios Holdings common stockholders adjusted weighted shares and assumed conversions	103,562,826		110,574,248
Basic net income per share attributable to Navios Holdings common stockholders	\$	0.34	\$ 0.88
Diluted net income per share attributable to Navios Holdings common stockholders	\$	0.33	\$ 0.84

The denominator of diluted earnings per share excludes the weighted average stock options outstanding since the effect is anti-dilutive.

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NOTE 14: INVESTMENT IN AFFILIATES**Navios Maritime Partners L.P.**

On August 7, 2007, Navios Holdings formed Navios Partners under the laws of Marshall Islands. Navios GP L.L.C. (the 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.

In connection with the IPO of Navios Partners on November 16, 2007 Navios Holdings sold the interests of its five wholly-owned subsidiaries, each of which owned a Panamax drybulk carrier, as well as interests of its three wholly-owned subsidiaries that operated and had options to purchase three additional vessels in exchange for: (a) all of the net proceeds from the sale of an aggregate of 10,500,000 common units in the IPO and to a corporation owned by Navios Partners Chairman and CEO for a total amount of \$193,300, plus (b) \$160,000 of the \$165,000 borrowings under Navios Partners new revolving credit facility; (c) 7,621,843 subordinated units issued to Navios Holdings; and (d) the issuance to the General Partner of the 2% general partner interest and all incentive distribution rights in Navios Partners.

On June 9, 2009, Navios Holdings relieved Navios Partners from its obligation to purchase the Capesize vessel Navios Bonavis for \$130,000 and with the delivery of the Navios Bonavis to Navios Holdings, Navios Partners was granted a 12-month option to purchase the vessel for \$125,000. In return, Navios Partners issued to Navios Holdings 1,000,000 subordinated Series A units. Navios Holdings recognized in its results a non-cash compensation income amounting to \$6,082. The 1,000,000 subordinated Series A units are included in Investments in affiliates. The newly issued units are not eligible to receive distributions until the third anniversary of their issuance, at which point they will automatically convert into common units and receive distributions in accordance with all other common units. In addition, Navios Holdings was released from the omnibus agreement restrictions for two years in connection with acquiring vessels from third parties (but not from the requirement to offer to sell to Navios Partners qualifying vessels in Navios Holdings existing fleet).

As of June 30, 2009 and December 31, 2008, the carrying amount of the investment in Navios Partners accounted for under the equity method was \$2,547 and \$4,629, respectively. As part of the consideration from the sale of Navios Hope to Navios Partners in July 2008, the Company received 3,131,415 common units of Navios Partners. The 3,131,415 common units are accounted for under investment in available for sale securities. As of June 30, 2009 and December 31, 2008, the carrying amount of the investment in common units was \$31,158 and \$22,358, respectively.

Dividends received during the three month periods ended June 30, 2009 and 2008 were \$4,475 and \$2,797, respectively and for the six month periods ended June 30, 2009 and 2008 were \$8,950 and \$4,196, respectively.

Summarized financial information of Navios Partners is presented below:

Balance Sheet	June 30, 2009	December 31, 2008
Current assets	\$ 29,475	\$ 29,058
Non-current assets	320,498	293,849
Current liabilities	17,255	46,401
Non-current liabilities	219,795	199,659
	Three Month Period ended June 30, 2009	Three Month Period Ended June 30, 2008
Income Statement		
Revenue	\$ 22,154	\$ 17,939

Net Income		3,592	7,155
		Six Month	Six Month
		Period ended	Period
		June 30,	Ended
Income Statement		2009	June 30,
Revenue		\$ 43,311	2008
Net Income		12,551	\$ 32,259
			11,001

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**NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars except share data)

NOTE 15: OTHER FINANCIAL INFORMATION

The Company's 9²% Senior Notes are fully and unconditionally guaranteed on a joint and several basis by all of the Company's subsidiaries with the exception of Navios Logistics (non-guarantor subsidiary), Corporación Navios Sociedad Anonima for the periods prior to the formation of Navios Logistics and designated as unrestricted subsidiaries or those not required by the Indenture. Provided below are the condensed income statements and cash flow statements for the three and six month periods ended June 30, 2009 and 2008 and balance sheets as of June 30, 2009 and December 31, 2008 of Navios Holdings, the guarantor subsidiaries and the non-guarantor subsidiaries. All subsidiaries, except for the non-guarantor subsidiaries, are 100% owned. These condensed consolidating statements have been prepared in accordance with U.S. GAAP, except that all subsidiaries have been accounted for on an equity basis.

	Navios Maritime Holdings Inc. Issuer	Other Guarantor Subsidiaries	Non Guarantor Subsidiaries	Eliminations	Total
Income Statement for the three months ended June 30, 2009					
Revenue	\$	\$ 107,111	\$ 35,097	\$	\$ 142,208
Time charter, voyage and port terminal expenses		(60,966)	(21,917)		(82,883)
Direct vessel expenses		(7,915)			(7,915)
General and administrative expenses	(4,191)	(4,361)	(2,009)		(10,561)
Depreciation and amortization	(701)	(10,480)	(5,196)		(16,377)
Interest income/expense and finance cost, net	(13,670)	(65)	(1,002)		(14,737)
Gain on derivatives	1,495	(850)			645
Gain on sale of assets		16,790			16,790
Other income/expense, net	(5,446)	(2,172)	(2,166)		(9,784)
Income before equity in net earnings of affiliated companies	(22,513)	37,092	2,807		17,386
Income from subsidiaries	39,562	2,244		(41,806)	
Equity in net earnings of affiliated companies	5,088	311			5,399
Income before taxes	22,137	39,647	2,807	(41,806)	22,785
Income taxes		(85)	1,047		962
Net income	22,137	39,562	3,854	(41,806)	23,747

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Less: Net income attributable to the noncontrolling interest (1,610) (1,610)

Net income attributable to Navios Holdings common stockholders \$ 22,137 \$ 39,562 \$ 2,244 \$ (41,806) \$ 22,137

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NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. dollars except share data)

	Navios Maritime Holdings Inc. Issuer	Other Guarantor Subsidiaries	Non Guarantor Subsidiaries	Eliminations	Total
Income Statement for the three months ended June 30, 2008					
Revenue	\$	\$ 302,494	\$ 25,546	\$	\$ 328,040
Time charter, voyage and port terminal expenses		(265,837)	(14,711)		(280,548)
Direct vessel expenses		(6,885)			(6,885)
General and administrative expenses	(797)	(6,475)	(1,793)		(9,065)
Depreciation and amortization	(700)	(9,460)	(3,677)		(13,837)
Interest income/expense and finance cost, net	(8,667)	312	(952)		(9,307)
Gain on derivatives		7,743			7,743
Gain on sale of assets		174			174
Other income/expense, net	144	1,148	(756)		536
Income before equity in net earnings of affiliated companies	(10,020)	23,214	3,657		16,851
Income from subsidiaries	83,665	3,670		(87,335)	
Equity in net earnings of affiliated companies	5,521	736			6,257
Income before taxes	79,166	27,620	3,657	(87,335)	23,108
Income taxes		57,248	112		57,360
Net income	79,166	84,868	3,769	(87,335)	80,468
Less: Net income attributable to the noncontrolling interest		(1,203)	(99)		(1,302)
Net income attributable to Navios Holdings common stockholders	\$ 79,166	\$ 83,665	\$ 3,670	\$(87,335)	\$ 79,166

	Navios Maritime Holdings Inc. Issuer	Other Guarantor Subsidiaries	Non Guarantor Subsidiaries	Eliminations	Total
Income Statement for the six months ended June 30, 2009					
Revenue	\$	\$ 224,934	\$ 64,442	\$	\$ 289,376
Time charter, voyage and port terminal expenses		(132,050)	(42,632)		(174,682)
Direct vessel expenses		(15,085)			(15,085)
General and administrative expenses	(8,142)	(8,696)	(4,154)		(20,992)
Depreciation and amortization	(1,394)	(19,896)	(10,627)		(31,917)
Interest income/expense and finance cost, net	(27,382)	32	(1,752)		(29,102)
Gain on derivatives	4,222	(3,603)			619
Gain on sale of assets		16,790			16,790
Other income/expense, net	(7,767)	(569)	(2,656)		(10,992)
Income before equity in net earnings of affiliated companies	(40,463)	61,857	2,621		24,015
Income from subsidiaries	64,813	2,368		(67,181)	
Equity in net earnings of affiliated companies	9,780	719			10,499
Income before taxes	34,130	64,944	2,621	(67,181)	34,514
Income taxes		(131)	1,725		1,594
Net income	34,130	64,813	4,346	(67,181)	36,108
Less: Net income attributable to the noncontrolling interest			(1,978)		(1,978)
Net income attributable to Navios Holdings common stockholders	\$ 34,130	\$ 64,813	\$ 2,368	\$ (67,181)	\$ 34,130

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NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. dollars except share data)

	Navios Maritime Holdings Inc. Issuer	Other Guarantor Subsidiaries	Non Guarantor Subsidiaries	Eliminations	Total
Income Statement for the six months ended June 30, 2008					
Revenue	\$	\$ 607,487	\$ 47,059	\$	\$ 654,546
Time charter, voyage and port terminal expenses		(534,511)	(27,965)		(562,476)
Direct vessel expenses		(12,518)			(12,518)
General and administrative expenses	(2,003)	(12,232)	(3,543)		(17,778)
Depreciation and amortization	(1,401)	(18,243)	(7,798)		(27,442)
Interest income/expense and finance cost, net	(18,965)	1,457	(1,291)		(18,799)
Gain on derivatives		10,255			10,255
Gain on sale of assets/partial sale of subsidiary		2,748			2,748
Other income/expense, net	91	1,781	(1,410)		462
Income before equity in net earnings of affiliated companies	(22,278)	46,224	5,052		28,998
Income from subsidiaries	108,739	5,446		(114,185)	
Equity in net earnings of affiliated companies	6,950	1,386			8,336
Income before taxes	93,411	53,056	5,052	(114,185)	37,334
Income taxes		57,470	398		57,868
Net income	93,411	110,526	5,450	(114,185)	95,202
Less: Net income attributable to the noncontrolling interest		(1,787)	(4)		(1,791)
Net income attributable to Navios Holdings common stockholders	\$ 93,411	\$ 108,739	\$ 5,446	\$ (114,185)	\$ 93,411

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NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
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(Expressed in thousands of U.S. dollars except share data)

	Navios Maritime Holdings Inc. Issuer	Other Guarantor Subsidiaries	Non Guarantor Subsidiaries	Eliminations	Total
Balance Sheet as at June 30, 2009					
Cash and cash equivalent	\$ 11,440	\$ 185,766	\$ 14,294	\$	\$ 211,500
Restricted cash		24,066	1,465		25,531
Accounts receivable, net		54,690	18,306		72,996
Intercompany receivables	565,189	94		(565,283)	
Short-term derivative assets		108,683			108,683
Due from affiliate companies		6,509			6,509
Prepaid expenses and other current assets	1,160	17,402	8,885		27,447
Total current assets	577,789	397,210	42,950	(565,283)	452,666
Deposit for vessel acquisitions		477,058			477,058
Vessels, port terminal and other fixed assets, net		666,629	272,305		938,934
Long-term derivative asset	6,540	15,683			22,223
Investments in subsidiaries	988,161	188,178		(1,176,339)	
Investment in available for sale securities	31,158				31,158
Investment in affiliates	6,952	2,214			9,166
Other long-term assets	12,349	30,856	12,563		55,768
Goodwill and other intangibles	105,039	161,630	201,248		467,917
Total non-current assets	1,150,199	1,542,248	486,116	(1,176,339)	2,002,224
Total assets	1,727,988	1,939,458	529,066	(1,741,622)	2,454,890
LIABILITIES AND STOCKHOLDERS EQUITY					
Account payable		21,037	14,717		35,754
Accrued expenses and other current liabilities	7,293	28,270	10,076		45,639
Dividend payable	6,012				6,012
Intercompany Payables		565,189	94	(565,283)	
Short-term derivative liability		66,205			66,205
Current portion of long-term debt	74,954	4,649	2,587		82,190
Total current liabilities	88,259	685,350	27,474	(565,283)	235,800
	781,717	190,531	77,646		1,049,894

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Long-term debt, net of current portion					
Long-term liabilities		34,093	45,420		79,513
Long-term derivative liability		10,950			10,950
Unfavorable lease terms		65,705	753		66,458
Deferred tax			23,326		23,326
Total non-current liabilities	781,717	301,279	147,145		1,230,141
Total liabilities	869,976	986,629	174,619	(565,283)	1,465,941
Noncontrolling interest			130,937		130,937
Total stockholders' equity	858,012	952,829	223,510	(1,176,339)	858,012
Total equity	858,012	952,829	354,447	(1,176,339)	988,949
Total Liabilities and Equity	\$ 1,727,988	\$ 1,939,458	\$ 529,066	\$ (1,741,622)	\$ 2,454,890

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NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. dollars except share data)

	Navios Maritime Holdings Inc. Issuer	Other Guarantor Subsidiaries	Non Guarantor Subsidiaries	Eliminations	Total
Balance Sheet as at					
December 31, 2008					
Cash and cash equivalent	\$ 9,637	\$ 112,471	\$ 11,516	\$	\$ 133,624
Restricted cash		16,808	1,050		17,858
Accounts receivable, net		95,916	13,864		109,780
Intercompany receivables	458,512		41	(458,553)	
Short-term derivative assets		214,156			214,156
Short-term backlog asset			44		44
Due from affiliate companies		1,677			1,677
Prepaid expenses and other current assets	19	22,210	6,041		28,270
Total current assets	468,168	463,238	32,556	(458,553)	505,409
Deposit for vessel acquisitions		404,096			404,096
Vessels, port terminal and other fixed assets, net		486,857	250,237		737,094
Long-term derivative asset	2,318	34,379			36,697
Investments in subsidiaries	923,348	185,810		(1,109,158)	
Investment in available for sale securities	22,358				22,358
Investment in affiliates	3,830	1,775			5,605
Other long-term assets	12,219	23,248	11,388		46,855
Goodwill and other intangibles	106,433	182,346	206,731		495,510
Total non-current assets	1,070,506	1,318,511	468,356	(1,109,158)	1,748,215
Total assets	1,538,674	1,781,749	500,912	(1,567,711)	2,253,624
LIABILITIES AND STOCKHOLDERS EQUITY					
Account payable		62,355	10,165		72,520
Accrued expenses and other current liabilities	3,791	32,938	9,058		45,787
Dividend payable	9,096				9,096
Intercompany Payables		458,553		(458,553)	
Short-term derivative liability		128,952			128,952
Current portion of long-term debt	10,920	1,120	3,137		15,177
Total current liabilities	23,807	683,918	22,360	(458,553)	271,532

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Long-term debt, net of current portion	709,047	85,300	78,191		872,538
Long-term liabilities		25,646	22,181		47,827
Long-term derivative liability		23,691			23,691
Unfavorable lease terms		75,179	1,505		76,684
Deferred tax			26,573		26,573
Total non-current liabilities	709,047	209,816	128,450		1,047,313
Total liabilities	732,854	893,734	150,810	(458,553)	1,318,845
Non-controlling interest			128,959		128,959
Total stockholders' equity	805,820	888,015	221,143	(1,109,158)	805,820
Total equity	805,820	888,015	350,102	(1,109,158)	934,779
Total Liabilities and Equity	\$ 1,538,674	\$ 1,781,749	\$ 500,912	\$ (1,567,711)	\$ 2,253,624

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NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
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(Expressed in thousands of U.S. dollars except share data)

	Navios Maritime Holdings Inc. Issuer	Other Guarantor Subsidiaries	Non Guarantor Subsidiaries	Eliminations	Total
Cash flow statement for the three months ended June 30, 2009					
Net cash provided by (used in) operating activities	\$ (78,420)	\$ 159,607	\$ 32,529	\$	\$ 113,716
Cash flows from investing activities					
Deposits for vessel acquisitions		(105,657)			(105,657)
Receipts from finance lease		268			268
Acquisition of Vessels		(121,109)			(121,109)
Proceeds from sale of assets		34,600			34,600
Acquisition of fixed assets		(80)	(27,922)		(28,002)
Net cash used in investing activity		(191,978)	(27,922)		(219,900)
Cash flows from financing activities					
Acquisition of treasury shares	(717)				(717)
Increase in restricted cash	(7,250)				(7,250)
Proceeds from long-term borrowing, net of deferred finance fees	108,612	106,226	(734)		214,104
Principal payment on long-term debt	(5,293)	(560)	(1,095)		(6,948)
Dividends paid	(15,129)				(15,129)
Net cash provided by/(used in) financing activities	80,223	105,666	(1,829)		184,060
Net increase in cash and cash equivalents	1,803	73,295	2,778		77,876
	9,637	112,471	11,516		133,624

Cash and cash equivalents, at
beginning of period

**Cash and cash equivalents, at
end of period**

11,440 185,766 14,294 211,500

	Navios Maritime Holdings Inc. Issuer	Other Guarantor Subsidiaries	Non Guarantor Subsidiaries	Eliminations	Total
Cash flow statement for the six months ended June 30, 2008					
Net cash provided by operating activities	\$ 6,325	\$ 53,741	\$ 3,483	\$	\$ 63,549
Cash flows from investing activities					
Acquisition of subsidiaries, net of cash acquired		(113,235)	8,166		(105,069)
Deposits in escrow in connection with acquisition of subsidiary		(5,000)			(5,000)
Acquisition of Vessels		(39,161)			(39,161)
Deposits for vessel acquisitions		(81,444)			(81,444)
Restricted cash for assets acquisition			(34,506)		(34,506)
Proceeds from sale of assets		35,088			35,088
Receipts from finance lease		4,569			4,569
Purchase of property and equipment		(1,400)	(35,485)		(36,885)
Net cash used in investing activities		(200,583)	(61,825)		(262,408)
Cash flows from financing activities					
Issuance of common stock	4,494				4,494
Proceeds from long-term borrowing, net of finance fees		34,474	69,615		104,089
Principal payment on long-term debt	(15,500)	(9,210)			(24,710)
Acquisition of treasury stock	(9,130)				(9,130)
Dividends paid	(19,191)				(19,191)
Net cash provided by/(used in) financing activities	(39,327)	25,264	69,615		55,552

Net increase (decrease) in cash and cash equivalents	(33,002)	(121,578)	11,273	(143,307)
Cash and cash equivalents, at beginning of period	211,183	209,034	7,350	427,567
Cash and cash equivalents, at end of period	\$ 178,181	\$ 87,456	\$ 18,623	\$ 284,260

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**NAVIOS MARITIME HOLDINGS INC.
UNAUDITED CONDENSED NOTES TO THE
CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars except share data)

NOTE 16: SUBSEQUENT EVENTS

Navios Holdings has evaluated subsequent events, if any, that have occurred after the balance sheet date but before the issuance of these financial statements and performed, where it was necessary, the appropriate disclosures for those events. The date of the evaluation of subsequent events is the same as the date the financial statements are issued, August 20, 2009.

- (a) On July 23, and July 24, 2009, Navios Holdings took delivery of two Capesize vessels, Navios Happiness, with a capacity of 180,022 dwt, and Navios Pollux, with a capacity of 180,727 dwt. Their aggregate cost amounted to \$228,500.
- (b) On July 23, 2009, Navios Holdings issued a \$20,000 unsecured bond at 6% fixed rate due in July 2012 to partially finance the acquisition of a Capesize vessel.
- (c) In July 2009, Navios Holdings has drawn \$120,000 under its Dekabank Deutsche Girozentrale facility to partially finance the acquisition of two Capesize vessels.
- (d) On August 11, 2009, Navios Holdings received an amount of \$4,512 as a dividend distribution from its affiliate Navios Partners.
- (e) On August 18, 2009, the Board of Directors declared a quarterly cash dividend in respect of the second quarter of 2009 of \$0.06 per common share payable on October 2, 2009 to stockholders on record as of September 18, 2009.
- (f) On August 19, 2009, Navios Holdings reached an agreement to acquire two Capesize vessels delivered in the fourth quarter of 2010 for an aggregate nominal purchase price of \$141,458 payable with a combination of cash and mandatorily convertible preferred stock.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

NAVIOS MARITIME HOLDINGS INC.

By: /s/ Angeliki Frangou
Angeliki Frangou
Chief Executive Officer
Date: August 20, 2009