

Navios Maritime Holdings Inc.  
Form 6-K  
November 01, 2007

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 6-K

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

Dated: October 31, 2007

Commission File No. 001-33311

NAVIOS MARITIME HOLDINGS INC.

85 Akti Miaouli Street, Piraeus, Greece 185 38  
(Address of Principal Executive Offices)

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

Form 20-F  Form 40-F

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

Yes  No

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

Yes  No

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

Yes  No



The information contained in this Report is hereby incorporated by reference into the Navios Registration Statements on Form F-3, File Nos. 333-136936, 333-129382 and 333-141872.

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## Operating and Financial Review and Prospects

The following is a discussion of the financial condition and results of operations for the three and nine month periods ended September 30, 2007 and 2006. All of these financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America (GAAP). You should read this section together with the consolidated financial statements and the accompanying notes included in Navios' 2006 annual report filed on Form 20-F with the Securities Exchange Commission.

This report contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Reform Act of 1995. These forward looking statements are based on Navios' current expectations and observations. Included among the factors that, in our view, could cause actual results to differ materially from the forward looking statements contained in this report are changes in any of the following: (i) charter demand and/or charter rates, (ii) production or demand for the types of dry bulk products that are transported by Navios' vessels, (iii) operating costs including but not limited to changes in crew salaries, insurance, provisions, repairs, maintenance and overhead expenses, or (iv) changes in interest rates.

### *Recent Developments*

**Warrants/Equity increases:** On December 28, 2006, Navios made an offer to the holders of its 49,571,720 outstanding warrants to acquire shares of common stock. This offer expired on January 26, 2007, and 32,140,128 warrants were exercised, of which 14,237,557 were exercised by payment of the \$5.00 exercise price and 17,902,571 were exercised by exchange of warrants. As a result, \$71.2 million of gross cash proceeds were raised and 19,925,527 new shares of common stock were issued.

On May 30, 2007, the Company issued 13,225,000 shares of common stock following the offering of 11,500,000 shares of common stock, with the option of the underwriters to purchase 1,725,000 additional shares of common stock to cover any over-allotments. The gross cash proceeds from the above share capital issuance were \$132.2 million.

During the 9 month period ended September 30, 2007 the Company issued 8,060,238 shares of common stock, following various exercises of warrants. The proceeds from such warrants exercise amounted to \$40.3million.

**Matters from Annual Meeting:** On January 10, 2007, following stockholder approval of such matters, Navios (a) filed with the Republic of the Marshall Islands an amendment to its Articles of Incorporation to effectuate the increase of its authorized common stock from 120,000,000 shares to 250,000,000 shares and (b) adopted its 2006 Stock Plan, pursuant to which it may issue options to acquire shares of its common stock or make restricted stock awards covering an aggregate of up to 10,000,000 common shares.

**Trading of common shares:** On February 1, 2007, Navios received approval of its application to list its common stock and warrants on the New York Stock Exchange ( NYSE ). The shares of common stock and warrants began trading on the NYSE commencing on the opening of trading on February 22, 2007 under the symbols NM and NMWS , respectively.

**Refinancing:** In February 2007, Navios entered into a new secured Loan Facility with HSH Nordbank and Commerzbank AG maturing on October 31, 2014. The new facility is composed of a \$280 million Term Loan Facility and a \$120 million Revolving Credit Facility. The term loan facility has partially been utilized to repay the remaining balance of the prior HSH Nordbank facility with the remaining balance of the new term loan used to finance the acquisition of Navios Hyperion. The revolving credit facility is available for future acquisitions and general corporate and working capital purposes. The interest rate of the new facility is LIBOR plus a spread ranging between 65 and

125 bps as defined in the agreement. The debt refinancing that occurred in February 2007 was accounted for as a debt modification.

**Acquisition of Kleimar:** On February 2, 2007, Navios acquired all of the outstanding share capital of Kleimar N.V. for a cash consideration of \$165.6 million (excluding direct acquisition costs), subject to certain adjustments. Kleimar is a Belgian maritime transportation company established in 1993. As of the date of the acquisition, Kleimar had 11 employees and was the owner and operator of Capesize and Panamax vessels used in the transportation of cargoes. It also has an extensive Contract of Affreightment ( COA ) business, a large percentage of which involves transporting cargo to China. Kleimar currently controls 11 vessels (including two long-term charter-in vessels to be delivered), of which it has ownership interest on three of them. The active long-term chartered-in fleet consists of four Capesize vessels and two Panamax vessels. Kleimar also has purchase options on six of the vessels. Two of the Capesize vessels, the Beaufiks (2004 built) and the Fantastiks (2005 built), exercisable at an average price of \$35.7 million during the first quarter of 2008. For the other four vessels, the Rubena N, Abe Namura, Golden Heiwa and Tsuneishi, Kleimar has purchase options at prices ranging from \$20.6 million to \$59 million. However, those vessels have been chartered out by Kleimar and, as part of the charter agreement, Kleimar also granted those charterers call options on the vessels at prices ranging from \$21.0 million to \$61.0 million exercisable on the same day (immediately after) the purchase options held by Kleimar are exercised.

**Registration Statement:** In October 2007, Navios Maritime Partners L.P. ( Navios Partners ), a Marshall Islands limited partnership, (wholly owned subsidiary of Navios), filed a registration statement with the United States Securities and Exchange Commission for an initial public offering of its common units (the Offering ). The Offering is currently expected to include 10,000,000 common units (or 11,500,000 common units if the underwriters exercise in full their over-allotment option). The Common Units have been approved



for listing on the New York Stock Exchange, subject to official notice of issuance, under the symbol NMM. Navios Partners will be an owner and operator of certain types of drybulk carriers.

A registration statement relating to these securities has been filed with the Securities and Exchange Commission but has not yet become effective. The securities may not be sold, nor may offers to buy be accepted, prior to the time the registration statement becomes effective.

### *Acquisition of Vessels*

On February 26, 2007, Navios took delivery of the vessel Navios Hyperion by exercising its purchase option. Previously the vessel was operating as part of our chartered-in fleet. The vessel's purchase price was approximately \$20.3 million.

On April 19, 2007, Navios acquired all of the outstanding share capital of White Narcissus Marine S.A. for a cash consideration of approximately \$26 million. White Narcissus Marine S.A. is a Panamanian corporation which held a 50% share of the vessel Asteriks (the remaining 50% held by Kleimar). The purchase of White Narcissus Marine S.A. was financed by the use of a portion of the \$120 million revolving credit facility with HSH Nordbank A.G. White Narcissus Marine S.A.'s only asset consists of its investment in the vessel Asteriks. White Narcissus Marine S.A. does not have any other operations, liabilities or employees.

In July 2007, the Company entered into contracts for the acquisition of two new-building Capesize vessels to be built by Daewoo Shipbuilding & Marine Engineering Company in South Korea. Both vessels will have deadweight capacity of 180,000 tons and are scheduled for delivery in June 2009 and September 2009. The Company paid an amount of \$48 million as a deposit for the purchase of the vessels.

In August 2007, the Company entered into conditional agreements for the purchase of two new Capesize vessels. Each vessel will cost \$110.0 million and have approximately 172,000 dwt. Delivery is scheduled in the fourth quarter of 2009.

In September 2007, Navios exercised its option to acquire the Navios Orbiter, a 76,602 dwt Panamax vessel built in 2004 that is currently chartered-in on a long-term basis. The vessel's purchase price was approximately \$20.5 million and market value is estimated at \$95 million. Ownership is expected some time in the first quarter of 2008.

In October 2007, the Company exercised its option to acquire the Fantastiks, a 180,265 dwt Capesize vessel built in 2005 that is currently chartered-in on a long-term basis.

In October 2007, Navios agreed to purchase five new Capesize vessels. The acquisition for an aggregate purchase price of \$190.0 million of two of the five Capesize vessels (172,000 dwt) is conditional upon the execution of definitive documentation. The three remaining Capesize vessels are (i) a Japanese-built vessel (180,000 dwt) with a purchase price of \$104.0 million and (ii) two South Korean-built vessels (172,000 dwt) with an average purchase price of \$97.0 million.

The order details for the five Capesize vessels are as follows:

### **Vessel**

**Type**

**Number  
of  
Vessels**

**Anticipated  
Delivery  
Date**

**DWT**

**Average  
Purchase  
Price  
(\$Mil)**

**Contract  
Status**

**Shipyard**

Navios  
TBN

Capesize

1

Q4 2009



180,000

\$104

Confirmed

Japan

Navios  
TBN

Capesize

2

Q4 2009

172,000

\$97

Confirmed

So. Korea

Navios  
TBN

Capesize

2

Q1 2010

172,000

\$95

Conditional

So. Korea

**New Long Term Charter-in Vessels**

In October 2007, Navios agreed to charter-in 13 newly built vessels, for an average period of ten years, as follows:

**Vessel**

**Type**

**Number of  
Vessels**

**Anticipated  
Delivery Date**

**Purchase  
Option**

**DWT**

Navios TBN

Panamax - Kamsarmax

6

2010/2011

50%(1)

81,000

Navios TBN

Handysize

5

2010/2011

50%(1)

35,000

Navios TBN

Ultra Handymax

1

2011/2012

100%

60,000

Navios TBN

Panamax - Kamsarmax

1

2012/2013

100%

82,100

(1) The initial 50% purchase option on each vessel is held by Navios. If exercised, mutual follow-on options are in place on the remaining 50%.





***Delivery of Vessels***

The Company took delivery of the following three new building vessels under long term charter-in arrangements:

March 14th the Golden Heiwa, a 2007 built Panamax vessel,

May 9th the Navios Primavera, a 2007 built Ultra Handymax vessel (Navios has a purchase option on the vessel),

June 19th the Navios Prosperity a 2007 Panamax vessel (Navios has a purchase option on the vessel), and

August 9th the Navios Esperanza a 2007 Panamax vessel

***Overview***

***General***

Navios is a large, vertically integrated, global seaborne shipping company, specializing in a wide range of drybulk commodities, including iron ore, coal, grain and fertilizers. We technically and commercially manage our owned fleet (except for Kleimar's vessels which are managed by an unrelated third party) and commercially manage our chartered-in fleet. Navios has in-house ship management expertise that allows it to oversee every step of technical management of the owned fleet including the shipping operations throughout the life of the vessels and, the superintendence of maintenance, repairs and dry-docking of the operated fleet. Navios also owns and operates a port/storage facility in Uruguay.

On August 25, 2005, pursuant to a Stock Purchase Agreement dated February 28, 2005, as amended, by and among ISE, Navios and all the shareholders of Navios, ISE acquired Navios through the purchase of all of the outstanding shares of its common stock. As a result of this acquisition, Navios became a wholly-owned subsidiary of ISE. In addition, on August 25, 2005, simultaneously with the acquisition of Navios, 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 continued to be Navios. As a result of the reincorporation, ISE transitioned from a shell company to an operating business and the operations of Navios became those of a publicly traded company.

***Fleet***

Following is the current core fleet employment profile, including the newbuildings to be delivered. The current core fleet consists of 71 vessels totaling 6.8 million deadweight tons. The employment of the fleet is reflected in the tables below. The 39 vessels in current operation aggregate approximately 3.1 million deadweight tons and have an average age of 4.6 years. Navios has currently fixed 100.0%, 91.6%, 54.0% and 32.0% of its 2007, 2008, 2009 and 2010 available days respectively, of its fleet (excluding Kleimar's vessels, which are primarily utilized to fulfill COAs), representing contracted fees (net of commissions), based on contracted charter rates from our current charter agreements of \$224.0 million, \$254.0 million, \$170.9 million and \$138.8 million, respectively. Although these fees are based on contractual charter rates, any contract is subject to performance by the counter parties and ourselves. Additionally, the fees above reflect an estimate of off-hire days to perform periodic maintenance. If actual off-hire days are greater than estimated, these would decrease the level of fees above. The average contractual daily charter-out rate for the core fleet is \$21,479, \$24,044, \$25,780 and \$28,455 for 2007, 2008, 2009 and 2010, respectively. The average daily charter-in rate for the active long-term charter-in vessels (excluding Kleimar's vessels) for the nine months ended September 30, 2007 was \$9,519.

**Owned Vessels**

**Vessels(1)**

**Type**

**Built**

**DWT**

**Charter-out  
Rate (2)**

**Expiration  
Date (3)**

Navios Ionian

Ultra Handymax



2000

52,068

22,219

03/18/2009

Navios Apollon

Ultra Handymax

2000

52,073

23,700

10/01/2012

Navios Horizon

Ultra Handymax

2001

50,346

14,725

06/16/2008

Navios Herakles

Ultra Handymax

2001

52,061

26,600

05/12/2009

Navios Achilles

Ultra Handymax

2001

52,063

21,138

01/15/2009

Navios Meridian

Ultra Handymax

2002

50,316

23,700

10/02/2012

Navios Mercator

Ultra Handymax

2002

53,553

19,950

12/15/2008

Navios Arc

Ultra Handymax

2003

53,514

27,693

05/25/2009

Navios Hios

Ultra Handymax

2003

55,180

24,035

10/31/2008

Navios Kypros

Ultra Handymax

2003

55,222

43,938

01/10/2008

Navios Gemini S

Panamax

1994

68,636

19,523

02/08/2009

24,225

02/08/2014

Navios Libra II

Panamax

1995

70,136

21,613

12/31/2007

23,513

12/30/2010

Navios Felicity

Panamax

1997

73,867

9,595

04/25/2008

26,169

04/26/2013

Navios Magellan

Panamax

2000

74,333

21,850

01/19/2010

Navios Galaxy I

Panamax

2001

74,195

24,062

01/25/2008

21,937

12/26/2018

Navios Star

Panamax

2002



76,662

21,375

01/21/2010

Navios Alegria

Panamax

2004

76,466

19,475

12/31/2007

23,594

12/30/2010

Navios Hyperion

Panamax

2004

75,707

26,268

02/26/2009

Asteriks

Panamax

2005

76,801

-

Obeliks(5)

Capesize

2000

170,454

-

3

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**Long Term Chartered-in Vessels**

**Vessels**

**Type**

**Built**

**DWT**

**Purchase  
Option (4)**

**Charter-out  
Rate (2)**

**Expiration  
Date (3)**

Navios Vector

Ultra Handymax

2002

50,296

No

8,811

10/17/2008

Navios Astra

Ultra Handymax

2006

53,468

Yes

34,200

08/11/2009

Navios Primavera

Ultra Handymax

2007

53,464

Yes

20,046

06/01/2010

Navios Cielo

Panamax

2003

75,834

No

25,175

11/03/2008

Navios Orbiter (6)

Panamax

2004

76,602

Yes



24,700

02/23/2009

Navios Aurora

Panamax

2005

75,397

Yes

24,063

07/06/2008

Navios Orion

Panamax

2005

76,602

No

27,312

03/01/2009

Navios Titan