Navios Maritime Holdings Inc.
Form 6-K
May 22, 2009

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: May 22, 2009
Commission File No. 001-33311
NAVIOS MARITIME HOLDINGS INC.
85 Akti Miaouli Street, Piraeus, Greece 185 38
(Address of Principal Executive Offices)

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

Form 20-F þ Form 40-F o

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

Yes o No þ

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

Yes o No þ

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

Yes o No þ

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 and on Form S-8, File No. 333-147186.

Operating and Financial Review and Prospects

The following is a discussion of the financial condition and results of operations of Navios Maritime Holdings Inc. (Navios Holdings or the Company) for the three month periods ended March 31, 2009 and 2008. All of these financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America (U.S. GAAP). You should read this section together with the consolidated financial statements and the accompanying notes included in Navios Holdings 2008 annual report filed on Form 20-F with the Securities and 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 Holdings 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 Holdings vessels, (iii) operating costs including but not limited to changes in crew salaries, insurance, provisions, repairs, maintenance and overhead expenses, or (iv) changes in interest rates.

Recent Developments

Navios Maritime Holdings Inc.

Dividend Policy:

On May 15, 2009, the Board of Directors declared a quarterly cash dividend for the first quarter of 2009 of $0.06 per common share of common stock payable on July 2, 2009 to stockholders on record as of June 18, 2009. The declaration and payment of any further 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 and restrictions under its credit agreements.

Changes in Capital Structure

Share Repurchase Program: On November 14, 2008, the Board of Directors approved a share repurchase program authorizing the purchase of up to $25.0 million of Navios Holdings common stock pursuant to a program adopted under Rule 10b-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. During the three month period ended March 31, 2009, 331,900 shares were repurchased under this program for a total consideration of $0.7 million. Since the initiation of the program 907,480 shares were repurchased for a total consideration of $1.8 million.

Issuance of common stock: During the three months ended March 31, 2009, 12,658 restricted shares were issued to Navios Holdings s employees following the vesting of restricted stock units and additional 55,675 restricted shares of common stock were issued pursuant to its existing stock option plan.

As of March 31, 2009, Navios Holdings had 100,225,217 shares of common stock outstanding.

Acquisition of Vessels

On February 18, 2009, Navios Holdings took delivery of Navios Vega, a 2009 built, 58,792 dwt Ultra Handymax vessel. The total acquisition price of the vessel amounted to approximately $72.1 million. The vessel commenced a two-year time charter at a net daily rate of $12,350. The acquisition of the vessel was financed by Navios Holdings existing cash and by issuing $33.5 million of convertible debt with a coupon of 2% and a conversion price of $11.00 per share.

Update on Navios Maritime Partners L.P. (Navios Partners)

On May 8, 2009, Navios Partners completed its follow-on public offering of 3,500,000 common units at $10.32 per unit, raising gross proceeds of approximately $36.1 million. Navios Holdings paid $0.7 million to retain its 2% general partner interest in Navios Partners. In connection with this offering, Navios Partners has granted the underwriters a 30-day option to purchase up to an additional 525,000 common units to cover over-allotments, if any. Following the offering, Navios Holdings owns a 44.6% equity interest in Navios Partners which includes a 2% general partner interest.

On May 6, 2009, Navios Holdings received $4.5 million as a dividend distribution from Navios Partners.

Update on Navios South American Logistics (Navios Logistics)

Navios Logistics is currently constructing a new silo at its port facility in Uruguay. The silo is expected to be fully operational by the second quarter of 2009 and it will add an additional 80,000 metric tons of storage capacity. The project is funded by Navios Logistics internally generated cash.

Overview

General

Navios Holdings is a global, vertically integrated seaborne shipping and logistics company focused on the transport and transshipment of drybulk commodities including iron ore, coal and grain. For over 50 years, Navios Holdings has had an in-house technical ship management expertise that has worked with producers of raw materials, agricultural traders and exporters, industrial end-users, ship owners, and charterers. We technically and commercially manage our owned fleet (except for one of Kleimar N.V. s (Kleimar) initial owned vessels which is managed by a non-related third party), Navios Partners fleet and commercially manage our chartered-in fleet including the shipping operations throughout the life of the vessels, the superintendence of maintenance, repairs and dry-docking of the operated fleet.

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 connection with the initial public offering, or an IPO, of Navios Partners, on November 16, 2007, Navios Holdings sold the interests of five of its wholly-owned subsidiaries, each of which owned a Panamax drybulk carrier, as well as interests of three of its 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 $193.3 million, plus; (b) $160.0 million of the $165.0 million borrowings under Navios Partners new revolving credit facility; (c) 7,621,843 subordinated units issued to Navios Holdings; and (d) 2% general partner interest and all incentive distribution rights in Navios Partners to the General Partner. Upon the closing of the IPO, Navios Holdings owned a 43.2% interest in Navios Partners, including the 2% general partner interest.

On July 1, 2008, Navios Holdings sold the Navios Aurora I, a 75,397 dwt Panamax vessel built in 2005, to Navios Partners in exchange for approximately $79.9 million, consisting of $35.0 million cash and 3,131,415 common units of Navios Partners. The number of the common units issued was calculated using the $14.3705 volume weighted average trading price for the 10 business days immediately prior to the closing date. Following the sale of Navios Aurora I, Navios Holdings owned as of March 31, 2009, a 51.6% interest in Navios Partners which includes a 2% general partner interest.

On April 1, 2009, Navios Partners board of directors decided not to exercise the option to acquire the capital stock of the subsidiary that will own the Capesize vessel Navios TBN II due to unfavorable conditions in the capital markets. The option to acquire Navios TBN II was granted by Navios Holdings to Navios Partners in connection with the IPO of Navios Partners.

On January 1, 2008, pursuant to a share purchase agreement, Navios Holdings contributed: (a) $112.2 million in cash; and (b) 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 Logistics representing 63.8% (67.2% excluding contingent consideration) of Navios Logistics outstanding stock. Navios Logistics acquired all ownership interests in Horamar Group (Horamar) in exchange for: (a) $112.2 million in cash (financed entirely by existing cash), of which $5.0 million was kept in escrow payable upon the attainment of certain EBITDA targets during specified periods through December 2008 (the EBITDA Adjustment); and (b) 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 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, at which time $2.5 million in cash and 503 shares were released to the shareholders of Horamar. Following this release, Navios Holdings owned 65.5% (excluding 504 shares still kept in escrow at December 31, 2008, pending achievement of final EBITDA target) of the outstanding common stock of Navios Logistics. In accordance with the amended share purchase agreement, the final EBITDA target may be resolved prior to June 30, 2009.

Horamar was 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. (See Navios South American Logistics Inc. under Statement of Operations Breakdown by Segment).

On July 1, 2008, Navios Holdings completed the 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 $253.0 million. Simultaneously with the completion of the IPO, Navios Holdings purchased private placement warrants of Navios Acquisition for an aggregate purchase price of $7.6 million (Private Placement Warrants). Prior to the IPO, Navios Holdings had purchased 8,625,000 units of Navios Acquisition (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 warrant (Sponsor Warrants , together with the Private Placement Warrants , the Navios Acquisition Warrants). Currently, Navios Holdings owns approximately 6,035,000 shares (19%) of the outstanding common stock of Navios Acquisition.

Fleet

Following is the current Core Fleet employment profile (excluding Navios Logistics), including the newbuilds to be delivered. The current Core Fleet consists of 53 vessels totaling 5.1 million deadweight tons. The employment profile of the fleet as of May 20, 2009 is reflected in the tables below. The 36 vessels in current operation aggregate approximately 2.8 million deadweight tons and have an average age of 4.8 years. Navios Holdings has currently fixed 96.6%, 75.5% and 54.0% of its 2009, 2010 and 2011 available days, respectively, of its fleet (excluding vessels, which are utilized to fulfill COAs), representing contracted fees (net of commissions), based on contracted charter rates from our current charter agreement of $244.7 million, $277.1 million and $233.3 million, respectively. Although these fees are based on contractual charter rates, any contract is subject to performance by the counterparties and us. Additionally, the level of these fees would decrease depending on the vessels off-hire days to perform periodic maintenance. The average contractual daily charter-out rates for the core fleet (excluding vessels, which are utilized to fulfill COAs) are $25,484, $30,970 and $34,883 for 2009, 2010 and 2011, respectively. The average daily charter-in rate for the active long term charter-in vessels (excluding vessels, which are utilized to fulfill COAs) for 2009 is $9,988.

Owned Vessels

Vessels	**Type**	**Built**	**DWT**	**Charter-out Rate** (1)	**Expiration Date** (2)
Navios Ionian	Ultra Handymax	2000	52,068	11,970	04/07/2011
Navios Apollon	Ultra Handymax	2000	52,073	23,700	11/08/2012
Navios Horizon	Ultra Handymax	2001	50,346	36,100	08/24/2011
Navios Herakles	Ultra Handymax	2001	52,061	11,400	03/30/2010
Navios Achilles	Ultra Handymax	2001	52,063	26,864(*)	11/17/2013
Navios Meridian	Ultra Handymax	2002	50,316	23,700	10/08/2012
Navios Mercator	Ultra Handymax	2002	53,553	31,350	02/20/2014
Navios Arc	Ultra Handymax	2003	53,514	27,693	05/25/2009
				10,450(*)	02/26/2011
Navios Hios	Ultra Handymax	2003	55,180	9,500	05/31/2009
				12,588(*)	06/16/2010
Navios Kypros	Ultra Handymax	2003	55,222	34,024	02/14/2011
Navios Ulysses	Ultra Handymax	2007	55,728	31,281	10/12/2013

Navios Vega[4]	Ultra Handymax	2009	58,792	12,350	02/18/2011
Navios Magellan	Panamax	2000	74,333	21,850	01/20/2010
Navios Star	Panamax	2002	76,662	21,375	01/21/2010
Navios Hyperion	Panamax	2004	75,707	37,050	04/01/2014
Navios Orbiter	Panamax	2004	76,602	37,147	04/01/2014
Navios Asteriks	Panamax	2005	76,801		
Vanessa[5]	Product Handysize	2002	19,078		

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Long Term Chartered-in Vessels

Vessels	Type	Built	DWT	Purchase Option (3)	Charter-out Rate (1)	Expiration Date (2)
Navios Vector(6)	Ultra Handymax	2002	50,296	No	9,738	10/17/2009
Navios Astra	Ultra Handymax	2006	53,468	Yes	34,200	08/11/2009
Navios Primavera	Ultra Handymax	2007	53,464	Yes	20,046	05/09/2010
Navios Armonia	Ultra Handymax	2008	55,100	No	23,700	06/07/2013
Navios Cielo	Panamax	2003	75,834	No	14,773	06/12/2010
Navios Orion	Panamax	2005	76,602	No	49,400	12/14/2012
Navios Titan	Panamax	2005	82,936	No	27,100	11/24/2010
Navios Sagittarius	Panamax	2006	75,756	Yes	26,125	11/19/2018
Navios Altair	Panamax	2006	83,001	No	22,715	09/20/2009
Navios Esperanza	Panamax	2007	75,200	No	14,513	02/19/2013
Torm Antwerp	Panamax	2008	75,250	No		
Belisland	Panamax	2003	76,602	No		
Golden Heiwa	Panamax	2007	76,662	No		
SA Fortius	Capesize	2001	171,595	No		
C. Utopia	Capesize	2007	174,000	No		
Beaufiks	Capesize	2004	180,181	Yes		
Rubena N	Capesize	2006	203,233	No		
Phoenix Grace	Capesize	2009	170,500	No		

Vessels to be Delivered
Long Term Chartered-in

Vessels	Type	Delivery Date	Purchase Option	DWT
Phoenix Beauty	Capesize	01/2010	No	170,500
Kleimar TBN	Capesize	04/2010	No	176,800
Navios TBN	Handysize	02/2011	Yes(7)	35,000
Navios TBN	Handysize	04/2011	Yes(7)	35,000
Navios TBN	Panamax	09/2011	Yes	80,000
Navios TBN	Capesize	09/2011	Yes	180,200
Navios TBN	Ultra Handymax	03/2012	Yes	61,000
Kleimar TBN	Capesize	07/2012	Yes	180,000
Navios TBN	Panamax	01/2013	Yes	82,100
Navios TBN	Ultra Handymax	08/2013	Yes	61,000

Owned Vessels

Vessels	**Type**	**Delivery Date**	**DWT**	**Charter-out Rate** [(1)]	**Expiration Date** [(2)]
Navios Pollux	Capesize	06/2009	181,000	42,250	06/2019
Navios Happiness	Capesize	07/2009	180,000	55,100	07/2014
Navios Aurora II	Capesize	10/2009	172,000	41,325	10/2019
Navios Lumen	Capesize	11/2009	181,000	44,850	11/2016
Navios Antares	Capesize	11/2009	172,000	57,000	11/2014
Navios Phoenix[(8)]	Capesize	12/2009	180,000	45,500	12/2014
Navios Stellar[(9)]	Capesize	12/2009	172,000	39,900	12/2019

(1) Net Time Charter-out Rate per day (net of commissions).

(2) Estimated dates assuming midpoint of redelivery by charterers.

(3) Generally, Navios Holdings may exercise its purchase option after three to five years of service.

(4) The vessel was delivered on February 18, 2009.

(5) The vessel is contracted to be sold for $24.2 million in 2009. The vessel is 95% owned.

(6) Charterer has the right to extend period up to December 2010 at similar daily charter-out rate.

(7) Navios Holdings holds the initial 50% purchase option on each vessel.

(8)

Allocated to a long term COA contract.

(9) The vessel has been chartered-out for a ten-year period at a daily rate of $39,900 if delivered prior to December 31, 2009 or at a daily rate of $37,762 if delivered in the first quarter of 2010.

(*) Denotes vessels chartered-out for various periods subsequent to the date of the issuance of the 20-F in April 2009. The Navios Achilles charter was extended for two additional years at a favorable rate that provides upside potential. Should the Baltic Exchange Supermax Index (BSI) exceed $39,800 for the period to Nov 17, 2011 or $14,250 for the extended period from Nov. 17, 2011, then charterers to pay a profit share to the owners in addition to the above hire rate, basis 70% for owners and 30% for charterers.

As of March 31, 2009, Navios Holdings had executed purchase options comprised 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 Aurora I 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. Accordingly, Navios Holdings has options to acquire four of the remaining 18 chartered-in vessels currently in operation and eight of the ten long-term chartered-in vessels on order (on two of the eight purchase options Navios Holdings holds a 50% initial purchase option).

Charter Policy and Industry Outlook

Navios Holdings policy has been to take a portfolio approach to managing operating risks. This policy led Navios Holdings to time charter-out to various shipping industry counterparties, considered by Navios Holdings to have appropriate credit profiles, many of the fleet vessels that it is presently operating (i.e. vessels owned by Navios Holdings or which it has taken into its fleet under charters having a duration of more than 12 months) during 2006, 2007 and 2008 for various periods ranging between one to ten years. By doing this, Navios Holdings aimed to lock-in, subject to credit and operating risks, favorable forward cash flows which it believes will cushion it against unfavorable market conditions. In addition, Navios Holdings actively trades additional vessels taken in on shorter term charters of less than 12 months duration, as well as, COAs and FFAs.

In 2007 and 2008, this policy had the effect of generating Time Charter Equivalents (TCE) that, while high by the average historical levels of the dry bulk freight market over the last 30 years, were below those which could have been earned had the Navios Holdings fleet been operated purely on short term and/or spot employment. Currently, this chartering policy has had the effect of generating higher TCE than spot employment.

The average daily charter-in vessel cost for Navios Holdings long-term charter-in fleet (excluding Kleimar vessels) was $9,947 per day for the three months ended March 31, 2009. The average charter-in hire rate per vessel was derived from the amount for long term hire included elsewhere in this document and was computed by (a) multiplying the (i) daily charter-in rate for each vessel by (ii) number of days the vessel is in operation for the year and (b) dividing such product by the total number of vessel days for the year. These rates exclude gains and losses from FFAs. Furthermore, Navios Holdings has the ability to increase its owned fleet through purchase options at favorable prices relative to the current market exercisable in the future.

Long term dry bulk fundamentals remain attractive. Chinese demand for natural resources for steel and energy production and food products continues to be primarily driven by urbanization and industrialization. Significant commodities purchases by Asian countries, especially China and India, combined with favorable changing trading patterns and the growth in the Chinese coastal trade should support freight rates for the foreseeable future. Additionally, new longer haul trade routes have developed that Navios Holdings anticipates should serve to stimulate ton-mile demand while port congestion continues to absorb global fleet tonnage.

Navios Holdings believes that a further decrease in global commodity demand from its current level, and the delivery of dry bulk carrier new buildings into the world fleet, would have an adverse impact on future revenue and profitability. However, the cost advantage of Navios Holdings long-term chartered fleet, which is chartered-in at historically favorable fixed rates, will continue to help mitigate the impact of the lower freight market environment. The reduced freight rate environment may also have an adverse impact on the market value of Navios Holdings owned fleet and the presently in-the-money purchase options. In reaction to a decline in freight rates, available ship financing has also been negatively impacted.

Navios Logistics Operations

Navios Logistics, an end-to-end logistics business which leverages Navios Holdings transshipment facility in Uruguay with an upriver port facility in Paraguay and dry and wet barge capacity, marked the successful conclusion of an effort Navios Holdings commenced in June 2006, when Navios Holdings announced its intention to develop a South American logistics business. Navios Holdings intends to continue growing its South American logistics business by opportunistically acquiring assets complementary to its port terminal and storage facilities.

Navios Logistics operates different types of tanker vessels, push boats and wet and dry barges for the delivery of a great range of products meeting the needs of the market between Buenos Aires, Argentina, and all the ports of the Paraná, Paraguay, Uruguay River System in South America, commonly known as the Hidrovia (Waterway). The Hidrovia passes through five countries, Argentina, Bolivia, Brazil, Paraguay and Uruguay along its 3,442 kilometers and to maritime facilities of the South American coastline. The group also owns and operates an up-river port terminal containing tank storage for petroleum products, oil and gas in the region San Antonio, Paraguay as well as the largest bulk transfer and storage port terminal in Uruguay located in an international tax free trade zone in the port of Nueva Palmira. (See Navios South American Logistics Inc. under Statement of Operations Breakdown by Segment).

Factors Affecting Navios Holdings Results of Operations

We believe the principal factors that will affect our future results of operations are the economic, regulatory, political and governmental conditions that affect the shipping industry generally and that affect conditions in countries and markets in which our vessels engage in business. Please read Risk Factors included in Navios Holdings 2008 annual report filed on Form 20-F with the Securities and Exchange Commission for a discussion of certain risks inherent in our business.

Navios Holdings actively manages the risk in its operations by: (i) operating the vessels in its fleet in accordance with all applicable international standards of safety and technical ship management; (ii) enhancing vessel utilization and profitability through an appropriate mix of long term charters complemented by spot charters (time charters for short term employment) and COAs; (iii) monitoring the financial impact of corporate exposure from both physical and FFAs transactions; (iv) monitoring market and counterparty credit risk limits; (v) adhering to risk management and operation policies and procedures; and (vi) requiring counterparty credit approvals.

Navios Holdings believes that the important measures for analyzing trends in its results of operations consist of the following:

Market Exposure: Navios Holdings manages the size and composition of its fleet, by chartering and owning vessels, to adjust to anticipated changes in market rates. Navios Holdings aims at achieving an appropriate balance between owned vessels and long and short term chartered-in vessels and controls approximately 5.1 million dwt in dry bulk tonnage. Navios Holdings options to extend the duration of vessels it has under long-term time charter (durations of over 12 months) and its purchase options on chartered vessel permits Navios Holdings to adjust the cost and the fleet size to correspond to market conditions.

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

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

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

TCE rates: TCE rates are defined as voyage and time charter revenues plus gains or losses on FFA less voyage expenses during a period divided by the number of available days during the period. Navios Holdings includes the gains or losses on FFA in the determination of TCE rates as neither voyage and time charter revenues nor gains or losses on FFA are evaluated in isolation. Rather, the two are evaluated together to determine total earnings per day. The TCE rate is a standard shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters are generally not expressed in per day amounts, while charter hire rates for vessels on time charters generally are expressed in such amounts.

Voyage and Time Charter

Revenues are driven primarily by the number of vessels in the fleet, the number of days during which such vessels operate and the amount of daily charter hire rates that the vessels earn under charters, which, in turn, are affected by a number of factors, including:

the duration of the charters;

the level of spot market rates at the time of charters;

decisions relating to vessel acquisitions and disposals;

the amount of time spent positioning vessels;

the amount of time that vessels spend in dry-dock undergoing repairs and upgrades;

the age, condition and specifications of the vessels; and

the aggregate level of supply and demand in the dry bulk shipping industry.

Time charters are available for varying periods, ranging from a single trip (spot charter) to long term which may be many years. In general, a long-term time charter assures the vessel owner of a consistent stream of revenue. Operating the vessel in the spot market affords the owner greater spot market opportunity, which may result in high rates when vessels are in high demand or low rates when vessel availability exceeds demand. Vessel charter rates are affected by world economics, international events, weather conditions, strikes, governmental policies, supply and demand, and many other factors that might be beyond the control of management.

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

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

The cost to maintain and operate a vessel increases with the age of the vessel. Older vessels are less fuel efficient, cost more to insure and require upgrades from time to time to comply with new regulations. The average age of Navios Holdings owned fleet is 6.3 years. But as such fleet ages or if Navios Holdings expands its fleet by acquiring previously owned and older vessels the cost per vessel would be expected to rise and, assuming all else, including rates, remains constant, vessel profitability would be expected to decrease.

Spot Charters, Contracts of Affreightment (COAs), and Forward Freight Agreements (FFAs)

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

The operation of voyage charters or spot charter-out fixtures for the carriage of a single cargo between load and discharge port;

The use of COAs, under which Navios Holdings contracts to carry a given quantity of cargo between certain load and discharge ports within a stipulated time frame; and

The use of FFAs both as economic hedges in reducing market risk on specific vessels, freight commitments or the overall fleet and in order to increase or reduce the size of its exposure to the dry bulk shipping market.

In addition, Navios Holdings, through selecting COAs on what would normally be backhaul or ballast legs, attempts to enhance vessel utilization and profitability. The cargoes are used to position vessels at or near major loading areas (such as the US Gulf) where spot cargoes can readily be obtained. This enables ballast time to be reduced as a percentage of the round voyage. This strategy is referred to as triangulation.

Navios Holdings enters into COAs with major industrial end users of bulk products, primarily in the steel, energy and grain sectors. These contracts are entered into not only with a view to making profit but also as a means of maintaining relationships, obtaining market information and continuing a market presence in this market segment. Navios Holdings has adopted a strategy of entering into COAs to carry freight into known loading areas, such as the US Gulf and the Gulf of St. Lawrence, where subsequent spot or voyage charters can be obtained.

Navios Holdings enters into dry bulk shipping FFAs as economic hedges relating to identifiable ship and or cargo positions and as economic hedges of transactions Navios Holdings 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, Navios Holdings has assumed the risk that might arise from the possible inability of counterparties to meet the terms of their contracts.

As of March 31, 2009 and December 31, 2008, none of our FFAs, qualified for hedge accounting treatment. Dry bulk FFAs traded by Navios Holdings that do not qualify for hedge accounting are shown at fair value through the statement of operations.

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

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

At the end of each calendar quarter, the fair value of 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. Navios Holdings has implemented specific procedures designed to respond to credit risk associated with over-the-counter trades, including the establishment of a list of approved counterparties and a credit committee which meets regularly.

Statement of Operations Breakdown by Segment

Navios Holdings reports financial information and evaluates its operations by charter revenues and not by vessel type, length of ship employment, customers or type of charter. Navios Holdings does not use discrete financial information to evaluate the operating results for each such type of charter. Although revenue can be identified for these types of charters, management does not identify expenses, profitability or other financial information for these charters. As a result, Navios Holdings reviews operating results solely by revenue per day and operating results of the owned and chartered-in fleet and, thus, the Company has determined that it has two reportable segments, Vessel Operations and Logistics Business. Following the acquisition of Horamar in January 2008 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 Navios Holdings and 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 FFAs. The Logistics Business consists of operating ports and transfer station terminals, handling of vessels, barges and push boats as well as upriver transport facilities in the Hidrovia region. Navios Holdings measures segment performance based on net income. For further segment information, please see Note 12 to the Unaudited Interim Consolidated Financial Statements.

For a more detailed discussion about Navios Logistics Segment refer to the section Navios South American Logistics Inc. further below.

Period over Period Comparisons

For the Three Month Period ended March 31, 2009 compared to the Three Month Period ended March 31, 2008

The following table presents consolidated revenue and expense information for the three month periods ended March 31, 2009 and 2008. This information was derived from the unaudited consolidated revenue and expense accounts of Navios Holdings for the respective periods.

	Three Month Period ended March 31, 2009 (unaudited)	Three Month Period ended March 31, 2008 (unaudited)
Revenue	$ 147,168	$ 338,277
(Loss)/gain on forward freight agreements	(550)	4,887
Time charter, voyage and logistic business expenses	(91,799)	(293,699)
Direct vessel expenses	(7,170)	(5,633)
General and administrative expenses	(10,431)	(8,712)
Depreciation and amortization	(15,540)	(13,604)
Interest income from investments in finance lease	323	800
Interest income	337	2,739
Interest expense and finance cost, net	(14,701)	(12,232)
Gain on sale of assets/partial sale of subsidiary		2,574
Other income	1,268	(19)
Other expense	(2,276)	(3,269)
Income before equity in net earnings of affiliate companies	6,629	12,147
Equity in net earnings of affiliated companies	5,100	2,078
Income before taxes	11,729	14,225
Income taxes	(632)	(507)
Net income	12,361	14,732
Less: Net income attributable to the noncontrolling interest	(368)	(488)
Net income attributable to Navios Holdings	**$ 11,993**	**$ 14,244**

Set forth below are selected historical and statistical data for Navios Holdings that it believes may be useful in better understanding its financial position and results of operations.

	Three month period ended March 31,	
	2009	2008
FLEET DATA		
Available days(1)	3,880	6,014
Operating days(2)	3,867	6,012
Fleet utilization(3)	99.7%	100%
AVERAGE DAILY RESULTS		
Time Charter Equivalents (including FFAs) (4)	$28,227	$47,150
Time Charter Equivalents (excluding FFAs) (4)	$28,368	$46,338

(1) Available days for fleet are total calendar days the vessels were in Navios

Holdings possession for the relevant period after subtracting off-hire days associated with major repairs, drydocks or special surveys. The shipping industry uses available days to measure the number of days in a relevant period during which vessels should be capable of generating revenues.

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

(3) Fleet utilization is the

percentage of time that Navios Holdings vessels were available for revenue generating available days, and is determined by dividing the number of operating days during a relevant period by the number of available days during that period. The shipping industry uses fleet utilization to measure a company s efficiency in finding suitable employment for its vessels.

(4) Time Charter Equivalent, or TCE, are defined as voyage and time charter revenues plus gains or losses on FFAs less voyage expenses during a relevant period divided by the number of available days during the period.

During the three month period ended March 31, 2009, there were 2,134 less available days as compared to the same period of 2008 mainly due to the decrease in short-term chartered-in fleet. This decrease was mitigated by the increase in the number of vessels in our owned fleet by two vessels resulting in 146 additional days. Navios Holdings can increase or decrease its fleet size by chartering-in vessels for long or short-term periods (less than one year). Fleet size and the corresponding available days will be decreased if charters are not renewed or replaced.

The average TCE rate excluding FFAs for the three month period ended March 31, 2009 was $28,368 per day, $17,970 per day lower than the rate achieved in the same period of 2008. This was primarily due to the decrease in the freight market resulting in lower charter-out daily rates in the first quarter of 2009 than those achieved in the third quarter of 2008.

Revenue: Revenue from vessel operations for the three months ended March 31, 2009 was $117.8 million as compared to $316.8 million for the same period during 2008. The decrease in revenue was mainly attributable to the decrease in TCE rate per day and the decrease in the available days of the fleet in 2009 as compared to 2008. The achieved TCE rate per day, excluding FFAs, decreased 38.8% to $28,368 per day in the first quarter of 2009 from $46,338 per day in the same period of 2008. The available days for the fleet decreased by 35.5% to 3,880 in the first quarter of 2009 from 6,014 days in the same period of 2008.

Revenue from the logistics business was approximately $29.3 million for the three months ended March 31, 2009 as compared to $21.5 million during the same period of 2008. This increase was mainly due to the increased fleet of Navios Logistics (which became operational in the fourth quarter of 2008) compared to the same period of 2008.

Gains on FFAs: Income from FFAs decreased by $5.5 million to a loss of $0.6 million during the three month period ended March 31, 2009 as compared to $4.9 million gain for the same period in 2008. Navios Holdings records the change in the fair value of derivatives at each balance sheet date. The FFAs market has experienced significant volatility in the past few years and, accordingly, recognition of the changes in the fair value of FFAs has, and can, cause significant volatility in earnings. The extent of the impact on earnings is dependent on two factors: market conditions and Navios Holdings   net position in the market. Market conditions were volatile in both periods. As an indicator of volatility, selected Baltic Exchange Panamax time charter average rates are shown below.

	Baltic Exchange's Panamax Time Charter Average Index
January 19, 2009	$ 3,917(a)
March 10, 2009	$ 19,387(b)
March 31, 2009	$ 11,001(*)
January 29, 2008	$ 44,363(c)
March 11, 2008	$ 69,619(d)
March 31, 2008	$ 63,399(*)

(a) Low for Q1 2009

(b) High for Q1 2009

(c) Low for Q1 2008

(d) High for Q1 2008

(*) End of period rate

Time Charter, Voyage and Logistic Business Expenses: Time charter, voyage and logistic business expenses decreased by $201.9 million or 68.7% to $91.8 million for the three month period ended March 31, 2009 as compared to $293.7 million for same period in 2008. This was primarily due to the decrease in the short term fleet activity (which also negatively affected the available days of the fleet, discussed above). This decrease was mitigated by an increase of $7.4 million in logistic business expenses.

Direct Vessel Expenses: Direct vessel expenses for operation of the owned fleet increased by $1.6 million to $7.2 million or 28.6% for the three month period ended March 31, 2009 as compared to $5.6 million for the same period in 2008. Direct vessel expenses include crew costs, provisions, deck and engine stores, lubricating oils, insurance premiums and maintenance and repairs. The increase resulted primarily from the increase of the owned fleet by two vessels in the first quarter of 2009 compared to the same period in 2008 and the increase in crew costs, spares and lubricating oils.

General and Administrative Expenses: General and administrative expenses of Navios Holdings are composed of the following:

	Three month period ended March 31, 2009 (unaudited)	Three month period ended March 31, 2008 (unaudited)
Payroll and related costs[(1)]	3,464	4,083
Professional, legal and audit fees[(1)]	1,204	1,216
Navios Logistics	2,145	1,750
Other[(1)]	932	1,182
Sub-total	7,745	8,231
Credit default insurance cover	2,686	481
General and administrative expenses	10,431	8,712

(1) Amounts do not include general and administrative expenses of the logistics business

The increase by $1.7 million to $10.4 million or 19.5% for the three month period ended March 31, 2009 as compared to $8.7 million for the same period of 2008 is mainly attributable to (a) expenses relating to the cover of additional contracts under the credit default insurance, and (b) the general and administrative expenses attributable to the Navios Logistics. This increase was mitigated mainly by a decrease in payroll and related costs.

Depreciation and Amortization: For the three month period ended March 31, 2009, depreciation and amortization increased by $1.9 million compared to the same period in 2008. The increase was primarily due to the increase in depreciation of vessels by $1.2 million due to the increase in the owned fleet by two vessels and the increase by $1.3 million in depreciation and amortization from the logistics business mainly due to the acquisition of the six convoys during the third quarter of 2008. This increase was mitigated by the decrease in backlog amortization by $1.3 million due to the fact that backlogs were fully amortized by the end of 2008.

Interest income from investments in finance leases: Interest income from investments in finance leases decreased by $0.5 million and amounted to $0.3 million for the three months ended March 31, 2009 compared to $0.8 million for the same period of 2008. This decrease is attributable mainly to the sale of Obeliks during the second quarter of 2008.

Net Interest Expense and Income: Interest expense for the three month period ended March 31, 2009 increased to $14.7 million as compared to $12.2 million in the same period of 2008. The increase is due to higher average outstanding loan balance from $442.2 million in the first quarter of 2009 (excluding the drawdowns relating to facilities for the construction of the Capesize vessels, Navios Logistics loans and the $110.0 million drawdown of Marfin Egnatia Bank loan facility in March 2009) to $312.3 million in the same period of 2008 and the increase in interest and finance costs by $0.4 million relating to the Navios Logistics loans. This increase was mitigated by the decrease in average LIBOR rate to 2.31% for the three month period ended March 31, 2009 compared to 4.83% for the same period in 2008. Interest income decreased by $2.4 million to $0.3 million for the three month period ended March 31, 2009 as compared to $2.7 million for the same period of 2008. This is mainly attributable to the decrease in the average cash balances from $108.3 million in the first quarter of 2009 (excluding the $110.0 million drawdown of

Marfin Egnatia Bank loan facility in March 2009) to $291.8 million in the same period of 2008, and the decrease in interest rates.

Net Other Income and Expense: Net other expense decreased by $2.3 million to $1.0 million for the three month period ended March 31, 2009, from $3.3 million for the same period in 2008. This decrease was mainly due to $0.4 million of net unrealized gain on Navios Holdings investment in Navios Acquisition sponsor warrants acquired as part of Navios Acquisition s IPO in July 2008 and $2.5 million decrease on the interest rate swaps losses during the three month period ended March 31, 2009 compared to the same period in 2008. This decrease was mitigated by $0.6 million of additional losses relating mainly to miscellaneous expenses.

Navios South American Logistics Inc.

The following is a discussion of the financial condition and results of operations for the three month periods ended March 31, 2009 and 2008 of Navios Logistics. All of these financial statements have been prepared in accordance with U.S. GAAP.

FINANCIAL HIGHLIGHTS

The following table presents consolidated revenue and expense information for each of the three month periods ended March 31, 2009 and 2008.

(Expressed in thousands of US Dollars)	**Three month period ended March 31, 2009 (unaudited)**	**2008 (unaudited)**
Revenue	$ 29,345	$ 21,513
Time charter, voyage and port terminal expenses	(20,715)	(13,254)
General and administrative expenses	(2,145)	(1,750)
Depreciation and amortization	(5,431)	(4,121)
Interest income		57
Interest expense and finance cost, net	(750)	(396)
Other income	728	19
Other expense	(1,229)	(672)
Income before taxes	$ (197)	$ 1,396
Income taxes	678	286
Net income	481	1,682
Noncontrolling interests	(292)	95
Net income attributable to Navios Holdings	$ **189**	$ **1,777**

The following table presents consolidated balance sheets of Navios Logistics as of March 31, 2009 and December 31, 2008.

(Expressed in thousands of US Dollars)	**March 31, 2009 (unaudited)**	**December 31, 2008**
ASSETS		
Current assets		
Cash and cash equivalents	5,877	11,516
Restricted cash	1,637	1,050
Accounts receivable, net	22,939	13,864
Due from affiliate companies		41
Short term backlog asset		44
Prepaid expenses and other current assets	6,371	6,041
Total current assets	**36,824**	**32,556**
Vessels, port terminal and other fixed assets, net	246,916	250,237
Deferred financing costs, net	1,101	420
Deferred dry dock and special survey costs, net	1,701	1,433
Other long term assets	9,460	9,535
Intangible assets other than goodwill	83,817	84,957
Goodwill	91,393	91,393
Total non-current assets	**434,388**	**437,975**

Total assets	**471,212**	**470,531**
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	13,078	10,165
Accrued expenses	7,852	9,058
Intercompany accounts	46	
Current portion of long term debt	3,839	3,137
Total current liabilities	**24,815**	**22,360**
Long term debt, net of current portion	77,489	78,191
Unfavorable lease terms	1,129	1,505
Long term liabilities	22,177	22,181
Deferred tax liability	25,390	26,573
Total non-current liabilities	**126,185**	**128,450**
Total liabilities	**151,000**	**150,810**
Commitments and contingencies		
Stockholders equity		
Common stock $1 par value, authorized 20,000 shares	20	20
Additional paid-in capital	284,761	284,762
Retained earnings	3,616	3,427
Total stockholders equity	**288,397**	**288,209**
Noncontrolling interest	31,815	31,512
Total equity	**320,212**	**319,721**
Total liabilities and equity	**471,212**	**470,531**

Period over Period Comparisons
For the Three Month Period ended March 31, 2009 compared to the Three Month Period ended March 31, 2008

Revenue: For the three month period ended March 31, 2009, Navios Logistics revenue increased by $7.8 million to $29.3 million as compared to $21.5 million for the same period during 2008. Revenue from port terminal operations amounted to $8.8 million, of which $7.0 million was contributed by the port in Paraguay, and revenue from vessels, barges and push boats amounted to $20.5 million. Revenue was adversely affected by an extraordinary large drought that significantly affected the level of water in the Hidrovia.

Time charter, voyage and port terminal expenses: Time charter, voyage and port terminal expenses for the three months period ended March 31, 2009, increased by $7.4 million to $20.7 million as compared to $13.3 million for the same period during 2008. Port terminal expenses for the three month period ended March 31, 2009 amounted to $7.6 million while the remaining $13.1 million related to time charter, voyage and logistics business expenses of vessels, barges and push boats. The main reason was the increase in the number of vessels in the fleet.

General and Administrative Expenses: General and administrative expenses increased by $0.4 million to $2.1 million for the three month period ended March 31, 2009 as compared to $1.7 million for the same period during 2008. General and administrative expenses for the three month period ended March 31, 2009 relating to port terminal operations amounted to $0.3 million while the remaining amount of $1.8 million relates to general and administrative expenses from vessels, barges and push boats operations. The main reason was the increase in employee salaries and increase in legal, audit and other fees.

Depreciation and Amortization: Depreciation and amortization expense increased by $1.3 million to $5.4 million for the three month period ended March 31, 2009 as compared to $4.1 million for the same period of 2008. Depreciation of tangible assets amounted to $4.6 million and amortization of intangible assets amounted to $0.8 million. The increase in depreciation and amortization expense was primarily due to depreciation of the new fleet acquired during the second half of 2008.

Interest Expense and Income: Interest expense and finance costs, net increased by $0.4 million to $0.8 million for the three month period ended March 31, 2009 as compared to $0.4 million for the three month period ended March 31, 2008. Interest expense amounted to $0.7 million and the remaining $0.1 million to various finance costs. The main reason was the increase in the outstanding loans used to finance the vessel acquisitions.

Interest income decreased by $0.1 million for the three month period ended March 31, 2009. Interest income was generated by financial investments made during the period.

Net Other Expense: Net other expense decreased by $0.1 million for the three month period ended March 31, 2009 as compared to $0.7 million net other expense for the three month period ended March 31, 2008. This increase was mainly attributable to exchange differences.

Income Taxes: Income taxes, net increased by $0.4 million for the three month period ended March 31, 2009 to $0.7 as compared to $0.3 million for the same period in 2008. The main reason for the increase was the reversion of some deferred income tax liabilities in Paraguay. Income taxes consist of income taxes calculated for certain subsidiaries of Navios South American Logistics, which are subject to corporate income tax.

EBITDA: EBITDA represents net income before interest income and expense, income taxes, depreciation and amortization. Navios Logistics uses EBITDA because Navios Logistics believes that EBITDA is a basis upon which operational performance can be assessed and because Navios Logistics believes that EBITDA presents useful information to investors regarding Navios Logistics ability to service and/or incur indebtedness.

EBITDA Reconciliation to Net Income

(expressed in thousands of US Dollars)	Three month period ended March 31, 2009	Three month period ended March 31, 2008

Net income	$	189	$	1,777
Depreciation and amortization		5,431		4,121
Amortization of deferred dry dock costs		60		
Interest expense		750		396
Interest income				(57)
Income taxes		(678)		(286)
EBITDA	$	5,752	$	5,951

EBITDA decreased by $0.2 million to $5.8 million for the three months period ended March 31, 2009 as compared to $6.0 million for the three months period ended March 31, 2008. The decrease is mainly attributable to (a) the increase in revenue by $7.8 million and (b) the increase in net other income and expense by $0.2 million. The above increase was mitigated mainly by (a) the increase in time charter, voyage expenses and port terminal expenses by $7.4 million; (b) the increase in general and administrative expenses by $0.4 million; and (c) the increase in minority interest expense by $0.4 million.

Balance Sheet highlights

Investing activities

In September 2008, Navios Logistics began construction of a new Silo at its port facilities in Uruguay. This is expected to be fully operational by the end of second quarter of 2009 and it will add an additional of 80,000 metric tons of storage capacity. As of December 31, 2008, Navios Logistics had paid an amount of $4.8 million for the construction of the new silo. During the three month period ended March 31, 2009, Navios Logistics had paid an additional amount of $1.2 million for the construction of the new Silo.

Financing activities

On March 31, 2008, Nauticler S.A. entered into a $70.0 million loan facility with Marfin Egnatia Bank S.A.for the purpose of providing Nauticler S.A. with investment capital to be used in connection with the acquisition of a fleet of barges and pushboats. The loan was 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 one additional year extension and an increase in margin to 275 bps.

Liquidity and Capital Resources

Navios Holdings has historically financed its capital requirements with cash flows from operations, equity contributions from stockholders and bank loans. Main uses of funds have been capital expenditures for the acquisition of new vessels, new construction and upgrades at the port terminal, expenditures incurred in connection with ensuring that the owned vessels comply with international and regulatory standards, repayments of bank loans and payments of dividends. Navios Holdings anticipates that cash on hand, internally generated cash flows and borrowings under the existing credit facilities will be sufficient to fund the operations of the fleet and the logistics business, including working capital requirements. However, see Exercise of Vessel Purchase Options , Working Capital Position and Long Term Debt Obligations and Credit Arrangements for further discussion of Navios Holdings working capital position.

In November 2008, the Board of Directors approved a share repurchase program of up to $25.0 million of Navios Holdings common stock pursuant to a program adopted under Rule 10b5-1 under the Securities Exchange Act, as amended. 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 our credit facilities and senior notes.

The following table presents cash flow information derived from the unaudited consolidated statements of cash flows of Navios Holdings for the three month periods ended March 31, 2009 and 2008.

	Three Month Period ended March 31, 2009	**Three Month Period ended March 31, 2008**
	(Expressed in thousands of US Dollars)	
	(unaudited)	**(unaudited)**
Net cash provided by operating activities	$ 49,987	$ 9,619
Net cash used in investing activities	(69,698)	(199,378)
Net cash provided by financing activities	106,504	53,100
Increase (decrease) in cash and cash equivalents	86,793	(136,659)

Cash and cash equivalents, beginning of the period		133,624		427,567
Cash and cash equivalents, end of period	$	220,417	$	290,908

Cash provided by operating activities for the three month period ended March 31, 2009 as compared to the cash provided for the three month period ended March 31, 2008:

Net cash provided by operating activities increased by $40.3 million to $50.0 million for the three month period ended March 31, 2009 as compared to $9.6 million for the same period of 2008. In determining net cash provided by operating activities, net income is adjusted for the effects of certain non-cash items including depreciation and amortization and unrealized gains and losses on derivatives.

The cumulative effect of the adjustments to reconcile net income to net cash provided by operating activities was a $21.0 million gain for the three month period ended March 31, 2009 which consisted mainly of the following adjustments: $15.6 million of depreciation and amortization, $0.6 million of amortization of deferred dry dock expenses, $0.6 million of amortization of deferred finance fees, $0.6 million provision for losses on accounts receivable, $2.9 million of unrealized losses on FFAs, and $1.1 million of unrealized losses on interest rate swaps. These were offset by $0.4 million of unrealized gain on Navios Acquisition Warrants

The positive change in operating assets and liabilities of $16.9 million for the three month period ended March 31, 2009 resulted from $20.5 million decrease in accounts receivable, $2.7 million decrease in prepaid expenses and other current assets, $4.8 million increase in accrued expenses, $18.0 million increase in derivative accounts, $3.3 million decrease in restricted cash and $0.4 million increase in other long term liabilities. This positive change was offset by $3.0 million increase in due from affiliates, $24.0 million decrease in accounts payable, $4.2 million decrease in deferred income, and $1.6 million relating to payments for dry-dock and special survey costs.

The cumulative effect of the adjustments to reconcile net income to net cash provided by operating activities was a $13.2 million gain for the three month period ended March 31, 2008 which consisted mainly of the following adjustments: $13.6 million of depreciation and amortization, $0.4 million of amortization of deferred dry dock expenses, $0.5 million of amortization of deferred finance fees, $1.6 million of unrealized losses on interest rate swaps, $0.7 million share based compensation and $0.3 million movement of earnings in affiliates net of dividends received. These were offset by $1.3 million of unrealized gains on FFAs, and $2.6 million gain due to the partial sale of CNSA following the acquisition of Horamar in January 2008.

The negative change in operating assets and liabilities of $17.9 million for the three month period ended March 31, 2008 resulted from $57.7 million decrease in accounts payable, $0.7 million increase in prepaid expenses and other current assets, $8.0 million decrease in deferred income, $1.8 million relating to payments for dry-dock and special survey costs and $3.8 million decrease in derivative accounts. This negative change was offset by $10.3 million decrease in restricted cash, $27.3 million decrease in accounts receivable, $3.4 million decrease in balances due from affiliates, $12.8 million increase in accrued expenses and $0.1 million decrease in long term liability.

Cash used in investing activities for the three month period ended March 31, 2009 as compared to the three month period ended March 31, 2008:

Cash used in investing activities was $69.7 million for the three month period ended March 31, 2009, or a decrease of $129.7 million from $199.4 million for the same period in 2007.

Cash used in investing activities was the result of (a) the payment of $25.6 million cash portion for the acquisition of Navios Vega in February 2009, (b) the deposits for acquisitions of Capesize vessels to be delivered in various dates until the fourth quarter of 2009 amounting to $42.9 million, and (c) the purchase of other fixed assets amounting to $1.3 million mainly relating to the construction of the new silo of Navios Logistics. The above was offset by $0.1 million received in connection with the capital lease receivable.

Cash used in investing activities was $199.4 million for the three month period ended March 31, 2008. This was the result of (a) the payment of $110.1 million (net of acquired cash of $5.6 million) for the acquisition of Horamar, (b) the acquisition of the vessel Navios Orbiter amounting to $17.8 million, (c) deposits amounting to $6.0 million relating mainly to the deposits for a push boat (Accu II) and for Navios Aurora, (d) the increase in restricted cash relating to Navios Logistics amounting to $67.1 million and (e) $0.9 million purchases of property plan and equipment. The above was offset by $2.5 million received in connection with the capital lease receivable.

Cash provided by financing activities for the three month period ended March 31, 2009 as compared to the three month period ended March 31, 2008:

Cash provided by financing activities was $106.5 million for the three month period ended March 31, 2009, while for the same period of 2008 was $53.1 million.

Cash provided by financing activities was the result of $125.4 million of loan proceeds (net of relating finance fees of $2.6 million) in connection with the drawdown from the loan facility with DNB NOR BANK ASA for the construction of two Capesize vessels and $110.0 million drawdown from the Marfin Egnatia Bank loan facility. This was offset by (a) the acquisition of treasury stock amounting to $0.7 million, (b) the $2.9 million installments paid in connection with the Navios Holdings outstanding indebtedness, (c) the $6.2 million increase in restricted cash required under the amendment in one of its facility agreements and (c) $9.1 million of dividends paid in the three months ended March 31, 2009 in connection with the third quarter of 2008.

Cash provided by financing activities was $53.1 million for the three month period ended March 31, 2008. This was the result of $69.6 million loan proceeds (net of relating finance fees of $0.5 million) in connection with the loan facility of Nauticler S.A. This was offset by (a) the acquisition of treasury stock amounting to $3.4 million, (b) the $3.5 million installments paid in connection with the Company s outstanding indebtedness and (c) $9.6 million of dividends paid in March 2008 in connection with the fourth quarter of 2007.

Adjusted EBITDA: EBITDA represents net income before interest income and expense, taxes, depreciation, and amortization. Adjusted EBITDA represents EBITDA before stock based compensation. Navios Holdings uses Adjusted EBITDA because Navios Holdings believes that Adjusted EBITDA is a basis upon which liquidity can be assessed and because Navios Holdings believes that Adjusted EBITDA presents useful information to investors regarding Navios Holdings ability to service and/or incur indebtedness.

Adjusted EBITDA has limitations as an analytical tool, and should not be considered in isolation or as a substitute for analysis of Navios Holdings results as reported under US GAAP. Some of these limitations are: (i) EBITDA does not reflect changes in, or cash requirements for, working capital needs; and (ii) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and EBITDA does not reflect any cash requirements for such capital expenditures.

Because of these limitations, EBITDA should not be considered as a principal indicator of Navios Holdings performance.

Adjusted EBITDA Reconciliation to Cash from Operations

Three Months Ended (in thousands of US Dollars)	**March 31, 2009**	**March 31, 2008**
Net cash provided by operating activities	$ 49,987	$ 9,619
Net decrease in operating assets	(23,636)	(40,433)
Net increase in operating liabilities	5,086	56,494
Net interest cost	14,365	9,493
Deferred finance charges	(709)	(464)
Unrealized gain (loss) on FFA derivatives, warrants and interest rate swaps	(3,613)	(304)
Earnings in affiliates and joint ventures, net of dividends received	(321)	(296)
Payments for drydock and special survey	1,587	1,803
Noncontrolling interest	(368)	(488)
Gain on partial sale of subsidiary		2,574
Adjusted EBITDA	$ **42,378**	$ **37,998**

Adjusted EBITDA for the first quarter of 2009 and 2008 was $42.4 million and $38.0 million, respectively. The $4.4 million increase in Adjusted EBITDA was primarily due to a decrease in time charter, voyage and logistic business expenses by $201.9 million from $293.7 million in the first quarter of 2008 to $91.8 million in the same period in 2009, an increase in equity in net earnings from affiliated companies by $3.0 million and a decrease in noncontrolling interest by $0.1 million. This overall favorable variance of $205.0 million was mitigated mainly by a decrease in revenue by $191.1 million from $338.3 million in the first quarter of 2008 to $147.2 million for the same period in 2009, a decrease in gain from FFA trading by $5.5 million from $4.9 million gain for the first quarter of 2008 to $0.6 million loss for the same period in 2009, an increase in direct vessel expenses (excluding the amortization of deferred dry dock and special survey costs) by $1.5 million from $5.2 million in the first quarter of 2008 to $6.7 million for the same period in 2009, an increase in general and administrative expenses by $1.8 million from $8.0 million in the first quarter of 2008 to $9.8 million for the same period in 2009 (excluding $0.6 million and $0.7 million share-based compensation for the first quarter of 2009 and 2008, respectively) and a net decrease of $0.7 million in all other categories.

Long Term Debt Obligations and Credit Arrangements

In December 2006, Navios Holdings repaid $290.0 million of the loan facility entered into with HSH Nordbank A.G. in December 2005 from the net proceeds of the senior notes discussed below while the balance of the facility remaining at December 31, 2006 was fully repaid from the proceeds of a secured loan facility entered into in February 2007.

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 basis points, 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 March 31, 2009, the amount available under the revolver facility was $16.7 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 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 March 31, 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 scheduled to be delivered in December 2009 and February 2010. The principal amount is available for partial drawdown according to terms of the payment of the shipbuilding contracts. As of March 31, 2009, the amount drawn was $51.1 million. The facility is repayable upon delivery of the Capesize vessels in 10 semi-annual installments of $6.3 million and 10 semi-annual installments of $4.5 million with a final payment of $46.5 million on the last payment date. The interest rate of the facility is LIBOR plus a margin of 80 basis points.

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 one additional year extension and an increase in margin to 275 bps.

In June 2008, Navios Holdings entered into a new 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. The principal amount is available for partial drawdown according to terms of the payment of the shipbuilding contracts. As of March 31, 2009, the amount drawn was $36.0 million. The facility is repayable upon delivery of the Capesize vessels in 16 semi-annual installments of $3.7 million, with a final payment of $73.8 million on the last payment date. The interest rate of the facility is LIBOR plus a margin of 100 basis points as defined in the 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 March 31, 2009, no amount has been drawn under this facility.

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 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 a portion 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 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 of LIBOR plus 2.75%. As of March 31, 2009, the full amount had been drawn.

Upon the 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 March 31, 2009, $17.1 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 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 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 March 31, 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 to be paid on November 2008, June 2009, 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 March 31, 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 March 31, 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 2014 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	**March 31, 2009 Amounts in millions of U.S. Dollars**
2009	$ 64.7
2010	142.4
2011	91.8
2012	97.6
2013	60.7
2014	503.6
2015 and thereafter	87.2
Total	$ 1,048.0

Contractual Obligations:

	March 31, 2009 Payment due by period (Amounts in millions of U.S. Dollars)				
Contractual Obligations	**Total**	**Less than 1 year**			**More than 5 years**

			1-3 years	**3-5 years**	
Long term debt[(i)(ii) (iii)]	1,048.0	74.2	301.6	88.2	584.0
Operating Lease Obligations (Time Charters)	854.6	107.2	203.0	186.6	357.8
Operating lease obligations push boats and barges	1.8	0.7	1.1		
Vessel deposits[(iv)]	388.6	388.6			
Rent Obligations[(v)]	11.6	1.5	2.4	2.3	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 0.8% 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). In February 2009, Navios Holdings concluded a facility of up to \$120.0 million to finance the acquisition of two Capesize vessels to be delivered, repayable in 20 semi-annual installments. As of March 31, 2009, no amount has been drawn under this facility.

(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 seven owned Capesize vessels to be delivered in various dates in 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 if the sublease agreement, under a non cancelable sublease.

Working Capital Position

On March 31, 2009, Navios Holdings current assets totaled $523.0 million, while current liabilities totaled $277.9 million, resulting in a positive working capital position of $245.1 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

In 2007 and 2008, the Company entered into agreements for the acquisition of a total of 11 newbuild Capesize vessels. One of these Capesize vessels is contracted to be sold to Navios Partners. In November 2008, the Company terminated three of the above contracts. All Capesize vessels are scheduled for delivery on various dates throughout 2009. The remaining capital obligations at March 31, 2009, left to be paid in 2009, depending on the timing of the delivery of the Capesize vessels, amount to approximately $388.6 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.

Dividend Policy

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 our 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 May 15, 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 July 2, 2009 to stockholders on record as of June 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, who 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 three month period ended March 31, 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 three months ended March 31, 2009, future minimum rental payments under Navios Holdings non-cancelable operating leases are analyzed in the contractual obligations above. As of March 31, 2009, Navios Holdings was contingently liable for letters of guarantee and letters of credit amounting to $5.1 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., 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 $0.7 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, 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 0.4 million (approximately $0.7 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 periods ended March 31, 2009 and 2008, were $0.1 million and $0.3 million, respectively. The Company owns fifty percent of the common stock of Acropolis. During the period ended March 31, 2009 and the year ended December 31, 2008, the Company received dividends of $0.6 million and $1.9 million, respectively. Included in the trade accounts payable at March 31, 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 drydock 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 periods ended March 31, 2009 and 2008 amounted to $2.6 million and $1.8 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 periods ended March 31, 2009 and 2008 amounted to $0.4 million and $0.3 million, respectively.

Balance due from affiliate: Amounts due from affiliate as of March 31, 2009 amounted to $4.7 million (2008: $1.7 million) which includes the current amounts of $4.6 million due from Navios Partners (2008: $1.5 million). The balance mainly consists of management fees, administrative fees and other expenses.

Sale of Navios Aurora I: On July 1, 2008, Navios Aurora I 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 Navios Aurora I 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 $26.6 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. At March 31, 2009, the total unamortized portion of the gain was $25.7 million. (See Note 5 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 its IPO. Each 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 the document).

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 period ended March 31, 2009 amounted to $30,000 (2008: $0). As of March 31, 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 March 31, 2009 and December 31, 2008, Navios Holdings had a total of $1.048.0 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 March 31, 2009 was $168.0 million and $31.7 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 basis points would change the annual interest expense by $6.4 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 March 31, 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 $16.7 million. The swaps were entered into at various points in 2001 and mature in 2010. Navios Holdings estimates that it would have to pay $1.0 million to terminate these agreements as of March 31, 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 basis points change in interest rates would increase or decrease interest expense by $0.2 million as of March 31, 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 US ten 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 our 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 our 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 basis points change in interest rates would increase or decrease interest expense by $0.2 million as of March 31, 2009.

c) One swap with Fortis Bank and two swaps with Dexia Bank Belgium with a total notional amount of $34.0 million. The swaps were entered into at May 2004 and August 2005 and mature in 2009 and 2010. Navios Holdings estimates that it would have to pay $0.9 million to terminate these agreements as of March 31, 2009. The swaps exchange LIBOR with fixed rates varying from 3.95% to 4.525%.

Foreign Currency Risk

Foreign Currency: In general, the shipping industry is a dollar dominated industry. Revenue is set mainly in US dollars, and approximately 83.7% of Navios Holdings are also incurred in US dollars. Certain of our expenses are paid in foreign currencies and a one percent change in the exchange rates of the various currencies at March 31, 2009 would increase or decrease net income by approximately $0.2 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 only three positions deemed to be open as of March 31, 2009, a ten percent change in underlying freight market indices would only have an effect of $0.1 million on net income per year.

Critical Accounting Policies

The Navios Holdings interim consolidated financial statements have been prepared in accordance with US 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 file 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 drydock 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 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 in