Table of Contents

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 25, 2011

Commission File No. 001-33311

NAVIOS MARITIME HOLDINGS INC.

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

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

Form 20-F ☑ Form 40-F ☐

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

Yes ☐ No ☑

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

Yes ☐ No ☑

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

Yes ☐ No ☑

The information contained in this Report is hereby incorporated by reference into the Registration Statements on Form F-3, File Nos. 333-136936 and 333-165754 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, 2011 and 2010. Navios Holdings' financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America (U.S. GAAP). You should read this section together with the consolidated financial statements and the accompanying notes included in Navios Holdings' 2010 annual report on Form 20-F filed with the Securities and Exchange Commission and the condensed consolidated financial statements and the accompanying notes included elsewhere in this form 6-K.

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 management's view, could cause actual results to differ materially from the forward-looking statements contained in this report are changes in any of the following: (i) charter demand and/or charter rates; (ii) production or demand for the types of drybulk products that are transported by Navios Holdings' vessels; (iii) operating costs including but not limited to changes in crew salaries, insurance, provisions, repairs, maintenance and overhead expenses; or (iv) changes in interest rates. Other factors that might cause a difference include, but are not limited to, those discussed under Part I, Item 3D — Risk Factors in Navios Holdings' 2010 annual report on Form 20-F.

Recent Developments

Navios Maritime Holdings Inc.

Vessel Sales

On May 19, 2011, Navios Holdings sold the Navios Luz, a 2010 built Capesize vessel of 179,144 deadweight tons ("dwt"), and the Navios Orbiter, a 2004 built Panamax vessel of 76,602 dwt, to Navios Maritime Partners L.P. ("Navios Partners") for a total consideration of $130.0 million, of which $120.0 million is payable in cash and $10.0 million in newly issued common units of Navios Partners. A portion of the cash proceeds amounting to $57.7 million was used to fully repay the outstanding loans associated with the vessels.

Deconsolidation of Navios Acquisition

Navios Holdings exchanged 7,676,000 shares of Navios Maritime Acquisition Corporation ("Navios Acquisition") common stock it held for 1,000 shares of non-voting Series C preferred stock of Navios Acquisition pursuant to an Exchange Agreement entered into on March 30, 2011 between Navios Acquisition and Navios Holdings ("Navios Acquisition Share Exchange"). The fair value of the exchange was $30.5 million. Following the Navios Acquisition Share Exchange, Navios Holdings has 45% of the voting power and 53.7% of the economic interest in Navios Acquisition. As a result, from March 30, 2011, Navios Acquisition is considered as an affiliate entity of Navios Holdings and is not a controlled subsidiary of the Company, and the investment in Navios Acquisition is now accounted for under the equity method due to the Company's significant influence over Navios Acquisition. From March 30, 2011, Navios Acquisition is being accounted for under the equity method based on Navios Holdings' 53.7% economic interest since the preferred stock is considered in substance common stock for accounting purposes.

Dividend Policy

On May 17, 2011, the Board of Directors declared a quarterly cash dividend for the first quarter of 2011 of $0.06 per share of common stock. This dividend is payable on July 7, 2011 to stockholders of record on June 15, 2011. The declaration and payment of any further dividends remain subject to the discretion of the Board, and will depend on, among other things, Navios Holdings' cash requirements as measured by market opportunities, debt obligations and restrictions under its credit and other debt agreements.

Navios Partners

On April 13, 2011, Navios Partners completed a public offering of 4,600,000 common units, which included the full exercise of the underwriters' over-allotment option, at $19.68 per unit, raising gross proceeds of approximately $90.5 million. Following the offering and the issuance of common units in connection with the sale of the Navios Luz and the Navios Orbiter, Navios Holdings' interest in Navios Partners is currently 27.1% (including the 2% GP interest).

On May 11, 2011, Navios Holdings received $6.2 million as a dividend distribution from its affiliate Navios Partners.

Navios Logistics

Acquisition of pushboats

On April 15, 2011, Navios South American Logistics Inc. ("Navios Logistics") used a portion of the proceeds of the senior unsecured notes (the "Logistics Senior Notes"), to pay $8.7 million for the acquisition and upgrading of two pushboats named William Hank and Lonny Fugate and, on May 2, 2011, Navios Logistics used a portion of such proceeds to pay $0.6 million, representing a deposit on the purchase price, for the acquisition of the pushboat WW Dyer.

$200.0 million 9.25% Senior Notes Due 2019

On April 12, 2011, Navios Logistics issued $200.0 million Logistics Senior Notes due on April 15, 2019, at a fixed rate of 9.25%. The net proceeds from the Logistics Senior Notes were approximately $194.0 million, after deducting related fees and estimated expenses, and will be used to (i) purchase barges and pushboats; (ii) repay existing indebtedness; and (iii) to the extent available, for general corporate purposes. On April 12, 2011, Navios Logistics, using the proceeds from the Logistics Senior Notes, fully repaid its $70.0 million loan facility with Marfin Popular Bank.

Changes in Capital Structure

Issuance of Common Stock: During the three month period ended March 31, 2011, 8,001 shares of restricted common stock were forfeited upon termination of employment. On March 1, March 2 and March 7, 2011, 18,281, 29,250 and 68,047 shares, respectively, were issued following the exercise of the options for cash at an exercise price of $3.18 per share.

Following the issuances and cancellations of the shares, described above, Navios Holdings had outstanding as of March 31, 2011, 101,671,343 shares of common stock and 8,479 shares of Preferred Stock outstanding.

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. We technically and commercially manage our owned fleet, Navios Acquisition's fleet and Navios Partners' fleet, and commercially manage our chartered-in fleet. Navios Holdings has in-house ship management expertise that allows it to oversee every step of technical management of the owned fleet, Navios Partners' and Navios Acquisition's fleet including the shipping operations throughout the life of the vessels and the superintendence of maintenance, repairs and drydocking.

On August 25, 2005, pursuant to a Stock Purchase Agreement dated February 28, 2005, as amended, by and among International Shipping Enterprises, Inc ("ISE"), Navios Holdings and all the shareholders of Navios Holdings, ISE acquired Navios Holdings through the purchase of all of the outstanding shares of common stock of Navios Holdings. As a result of this acquisition, Navios Holdings became a wholly owned subsidiary of ISE. In addition, on August 25, 2005, simultaneously with the acquisition of Navios Holdings, ISE effected a reincorporation from the State of Delaware to the Republic of the Marshall Islands through a downstream merger with and into its newly acquired wholly owned subsidiary, whose name was and continues to be Navios Maritime Holdings Inc.

On February 2, 2007, Navios Holdings acquired all of the outstanding share capital of Kleimar N.V. for a cash consideration of $165.6 million (excluding direct acquisition costs), subject to certain adjustments. Kleimar is a Belgian maritime transportation company established in 1993. Kleimar is the owner and operator of Handymax, Capesize and Panamax vessels used in the transportation of cargoes and has an extensive contract of affreightment ("COA") business.

On August 7, 2007, Navios Holdings formed Navios Partners under the laws of Marshall Islands. Navios G.P. L.L.C. ("General Partner"), a wholly owned subsidiary of Navios Holdings, was also formed on that date to act as the general partner of Navios Partners and received a 2% general partner interest in Navios Partners. Navios Partners is an affiliate and is not consolidated under Navios Holdings.

Navios Logistics

On January 1, 2008, pursuant to a share purchase agreement, Navios Holdings contributed: (i) $112.2 million in cash; and (ii) the authorized capital stock of its wholly owned subsidiary Corporation Navios Sociedad Anonima ("CNSA") in exchange for the issuance and delivery of 12,765 shares of Navios Logistics, representing 63.8% (or 67.2% excluding contingent consideration) of its outstanding stock. Navios Logistics acquired all ownership interests in Horamar in exchange for: (i) $112.2 million in 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 (ii) the issuance of 7,235 shares of Navios Logistics representing 36.2% (or 32.8% excluding contingent consideration) of Navios Logistics' outstanding stock, of which 1,007 shares were held in escrow pending

attainment of certain EBITDA targets. In November 2008, $2.5 million in cash and 503 shares were released from escrow when Horamar achieved the interim EBITDA target.

On March 20, 2009, August 19, 2009, and December 30, 2009, the agreement pursuant to which Navios Logistics acquired CNSA and Horamar was amended to postpone until June 30, 2010 the date for determining whether the EBITDA target was achieved. On June 17, 2010, $2.5 million in cash and the 504 shares remaining in escrow were released from escrow upon the achievement of the EBITDA target threshold. Navios Holdings currently owns 63.8% of Navios Logistics.

Navios Logistics is one of the largest logistics companies in the Hidrovia region of South America, serving the storage and marine transportation needs of its customers through its port terminals, river barge and coastal cabotage operations.

For a more detailed discussion about the Navios Logistics segment, please see Exhibit 99.1 to this Form 6-K.

Navios Acquisition

On July 1, 2008, the Company completed the initial public offering ("IPO"), of its subsidiary, Navios Acquisition. At the time of the IPO, Navios Acquisition was 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, the Company 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 ("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 consisted of one share of Navios Acquisition's common stock and one warrant ("Sponsor Warrants," together with the "Private Placement Warrants," the "Navios Acquisition Warrants"). Navios Acquisition, at the time, was not a controlled subsidiary of the Company but was accounted for under the equity method due to the Company's significant influence over Navios Acquisition.

On May 25, 2010, after its special meeting of stockholders, Navios Acquisition announced the approval of (a) the acquisition of 13 vessels (11 product tankers and two chemical tankers plus options to purchase two additional product tankers) for an aggregate purchase price of $457.7 million, of which $128.7 million was paid from existing cash and the $329.0 million balance was paid with existing and new financing pursuant to the terms and conditions of the Acquisition Agreement by and between Navios Acquisition and Navios Holdings and (b) certain amendments to Navios Acquisition's amended and restated articles of incorporation.

Navios Holdings has purchased 6,337,551 shares of Navios Acquisition's common stock for $63.2 million in open market purchases. Moreover, on May 28, 2010, certain shareholders of Navios Acquisition redeemed 10,021,399 shares pursuant to redemption rights granted in the IPO upon de-"SPAC"-ing. As of May 28, 2010, following these transactions, Navios Holdings owned 12,372,551 shares, or 57.3%, of the outstanding common stock of Navios Acquisition. On that date, Navios Holdings acquired control over Navios Acquisition, and consequently concluded a business combination had occurred and consolidated the results of Navios Acquisition from that date until March 30, 2011.

On March 30, 2011, Navios Holdings completed the Navios Acquisition Share Exchange whereby Navios Holdings exchanged 7,676,000 shares of Navios Acquisition's common stock it held for non-voting Series C preferred stock of Navios Acquisition pursuant to an Exchange Agreement entered into on March 30, 2011 between Navios Acquisition and Navios Holdings. The fair value of the exchange was $30.5 million, which was based on the share price of the publicly traded common shares of Navios Acquisition on March 30, 2011. Following the Navios Acquisition Share Exchange, Navios Holdings' ownership of the outstanding voting stock of Navios Acquisition decreased to 45% and Navios Holdings no longer controls a majority of the voting power of Navios Acquisition. From that date onwards, Navios Acquisition is considered as an affiliate entity of Navios Holdings and is not a controlled subsidiary of the Company, and the investment in Navios Acquisition is now accounted for under the equity method due to the Company's significant influence over Navios Acquisition. Navios Acquisition will be accounted for under the equity method of accounting based on Navios Holdings' 53.7% economic interest in Navios Acquisition, since the preferred stock is considered in-substance common stock for accounting purposes.

On March 30, 2011, based on the equity method, the Company recorded an investment in Navios Acquisition of $103.3 million, which represents the fair value of the common stock and Series C preferred stock that was held by Navios Holdings on such date. On March 30, 2011, the Company calculated a loss on change in control of $35.3 million, which is equal to the fair value of the Company's investment in Navios Acquisition of $103.3 million less the Company's 53.7% interest in Navios Acquisition's net assets on March 30, 2011.

Navios Acquisition is an owner and operator of tanker vessels focusing in the transportation of petroleum products (clean and dirty) and bulk liquid chemicals.

Fleet

The following is the current "core fleet" employment profile (excluding Navios Logistics), including the newbuilds to be delivered, as of May 23, 2011. The current "core fleet" consists of 55 vessels totaling 5.8 million dwt. The 42 vessels in current operation aggregate approximately 4.6 million dwt and have an average age of 4.9 years. Navios Holdings has currently fixed 92.2%, 58.0% and 39.0% of its 2011, 2012 and 2013 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 its current charter agreements of $304.9 million, $216.7 million and $168.9 million, respectively. Although these fees are based on contractual charter rates, any contract is subject to performance by the counterparties and us. Additionally, the level of these fees would decrease depending on the vessels' off-hire days to perform periodic maintenance. The average contractual daily charter-out rate for the core fleet (excluding vessels which are utilized to fulfill COAs) is $26,383, $29,017 and $32,402 for 2011, 2012 and 2013, respectively. The average daily charter-in rate for the active long-term charter-in vessels (excluding vessels which are utilized to fulfill COAs) for 2011 is estimated at $10,741.

Owned Vessels

Vessels	Type	Built	DWT	Charter-out Rate(1)	Profit Share(5)	Expiration Date(2)
Navios Ionian	Ultra Handymax	2000	52,067	13,775	No	05/27/2011
				13,685	No	09/24/2012
Navios Celestial	Ultra Handymax	2009	58,063	17,550	No	01/24/2012
Navios Vector	Ultra Handymax	2002	50,296	14,725	No	12/27/2011
Navios Horizon	Ultra Handymax	2001	50,346	36,100	No	08/31/2011
Navios Herakles	Ultra Handymax	2001	52,061	16,150	No	07/02/2011
Navios Achilles	Ultra Handymax	2001	52,063	25,521(7)	65%/$20,000 after March 2012	12/17/2013
Navios Meridian	Ultra Handymax	2002	50,316	14,250	No	03/17/2012
Navios Mercator	Ultra Handymax	2002	53,553	21,660(7)		08/01/2011
				29,783(7)	65%/$20,000 after March 2012	01/12/2015
Navios Arc	Ultra Handymax	2003	53,514	14,725	No	09/13/2011
Navios Hios	Ultra Handymax	2003	55,180	13,300	No	09/21/2011
Navios Kypros	Ultra Handymax	2003	55,222	20,778	50%/$19,000	01/28/2014
Navios Ulysses	Ultra Handymax	2007	55,728	31,281	No	10/12/2013
Navios Vega	Ultra Handymax	2009	58,792	14,725	No	05/21/2011
				15,631	No	05/26/2013
Navios Astra	Ultra Handymax	2006	53,468	15,533	No	12/11/2011
Navios Magellan	Panamax	2000	74,333	22,800	No	03/26/2012
Navios Star	Panamax	2002	76,662	16,958	No	11/27/2012
Navios Asteriks	Panamax	2005	76,801	—	—	—
Navios Bonavis	Capesize	2009	180,022	47,400	No	06/29/2014
Navios Happiness	Capesize	2009	180,022	52,345(7)	50%/$32,000 after March 2012	07/24/2014
Navios Lumen	Capesize	2009	180,661	19,500(6)	Yes	08/14/2011
				29,250(6)	Yes	02/14/2012
				39,830(6)	Yes	12/10/2012
				43,193(6)	Yes	12/10/2013
				42,690(6)	Yes	12/10/2016
				39,305(6)	Yes	12/10/2017
Navios Stellar	Capesize	2009	169,001	36,974(9)	No	12/22/2016
Navios Phoenix	Capesize	2009	180,242	27,075	No	12/10/2011(8)
Navios Antares	Capesize	2010	169,059	37,590(9)	No	01/19/2015
				45,875(9)	No	01/19/2018
Navios Buena Ventura	Capesize	2010	179,132	29,356	50%/38,500	10/28/2020
Navios Etoile	Capesize	2010	179,234	29,356	50%/ in excess of 38,500	12/02/2020
Navios Bonheur	Capesize	2010	179,259	27,888(7)	50% $32,000 after March 2012	12/16/2013
				25,025(7)		12/16/2022
Navios Altamira	Capesize	01/2011	179,165	24,674	No	01/27/2021
Navios Azimuth	Capesize	02/2011	179,169	26,469(7)	50%/$34,500 after March 2012	02/13/2023

Long-term Chartered-in Vessels

Vessels	Type	Built	DWT	Purchase Option(3)	Charter-out Rate(1)	Expiration Date(2)
Navios Primavera	Ultra Handymax	2007	53,464	Yes	14,919	10/06/2011
Navios Armonia	Ultra Handymax	2008	55,100	No	12,350	06/08/2011
Navios Orion	Panamax	2005	76,602	No	49,400	12/14/2012
Navios Titan	Panamax	2005	82,936	No	19,000	11/22/2012
Navios Altair	Panamax	2006	83,001	No	19,238	11/23/2011
Navios Esperanza	Panamax	2007	75,200	No	14,513	02/19/2013
Torm Antwerp	Panamax	2008	75,250	No		—
Golden Heiwa	Panamax	2007	76,662	No		—
Beaufiks	Capesize	2004	180,181	Yes		—
Rubena N	Capesize	2006	203,233	No		—
SC Lotta	Capesize	2009	170,500	No		—
Formosabulk Brave	Capesize	2001	170,000	No		—
Phoenix Beauty	Capesize	2010	169,150	No		—
King Ore	Capesize	2010	176,800	No		—

Vessels to be Delivered

Vessels	Type	Delivery Date	Purchase Option	DWT
Navios Serenity	Handysize	05/2011	Yes(4)	34,718
Navios TBN	Handysize	09/2012	Yes(4)	34,718
Navios Koyo	Capesize	12/2011	Yes	181,000
Kleimar TBN	Capesize	07/2012	Yes	180,000
Navios TBN	Capesize	12/2013	Yes	180,000
Navios TBN	Ultra Handymax	04/2012	Yes	61,000
Navios TBN	Ultra Handymax	05/2013	Yes	61,000
Navios TBN	Ultra Handymax	10/2013	Yes	61,000
Navios Marco Polo	Panamax	09/2011	Yes	80,000
Navios TBN	Panamax	01/2013	Yes	82,100
Navios TBN	Panamax	07/2013	Yes(4)	80,500
Navios TBN	Panamax	09/2013	Yes(4)	80,500
Navios TBN	Panamax	11/2013	Yes(4)	80,500

(1) Daily rate net of commissions.

(2) Expected redelivery basis midpoint of full redelivery period.

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

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

(5) Profit share based on applicable Baltic TC Average exceeding $/day rates listed.

(6) Year eight optional (option to Navios Holdings) included in the table above. Profit sharing = 100% to Navios Holdings until net daily rate of $44,850 and becomes 50/50 thereafter.

(7) Amount represents daily net rate of insurance proceeds following the default of the original charterer. The contracts for these vessels have been temporarily suspended and the vessels have been re-chartered to third parties for variable charter periods. Upon completion of the suspension period, the contracts with the original charterers will resume at amended terms. The obligations of our insurers are reduced by an amount equal to the mitigation charter hire revenues earned under the contracts with third parties and/or the original charterer or the applicable deductibles for any idle periods. The Company has filed claims for all unpaid amounts by the original charterer in respect of the employment of the vessels in the corporate rehabilitation proceedings. The disposition of these claims will be determined by the court at a future date.

(8) Subject to COA of $45,500 per day for the remaining period until first quarter of 2015.

(9) Amount represents daily rate of insurance proceeds following the default of the original charterer. These vessels have been rechartered to third parties for variable charter periods. Obligations of the insurer are reduced by an amount equal to the mitigation charter hire revenues earned under these contracts and the applicable deductibles under the insurance policy.

Charter Policy and Industry Outlook

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

In 2008 and 2009, this policy had the effect of generating Time Charter Equivalents ("TCE") that, while high by the average historical levels of the drybulk 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. In 2010 and during first quarter of 2011, this chartering policy had the effect of generating TCE which were higher than spot employment.

The average daily charter-in vessel cost for the Navios Holdings long-term charter-in fleet (excluding vessels, which are utilized to serve voyage charters or COAs) was $10,262 per day for the three month period ended March 31, 2011. The average long-term charter-in hire rate per vessel is included in the amount of long-term hire included elsewhere in this document and was computed by (a) multiplying (i) the daily charter-in rate for each vessel by (ii) the number of days 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.

Navios Holdings believes that a decrease in global commodity demand from its current level, and the delivery of drybulk carrier new buildings into the world fleet, could have an adverse impact on future revenue and profitability. However, the operating cost advantage of Navios Holdings' owned vessels and long-term chartered fleet, which is chartered-in at favorable rates, will continue to help mitigate the impact of the current decline in freight rates. A reduced freight rate environment may also have an adverse impact on the value of Navios Holdings' owned fleet and any purchase options that are currently in the money. In reaction to a decline in freight rates, available ship financing has also been negatively impacted.

Navios Holdings currently owns 63.8% of Navios Logistics. Navios Logistics owns and operates vessels, barges and push boats located mainly in Argentina, the largest bulk transfer and storage port facility in Uruguay, and an upriver liquid port facility located in Paraguay. Operating results for Navios Logistics are highly correlated to: (i) South American grain production and export, in particular Argentinean, Brazilian, Paraguayan, Uruguayan and Bolivian production and export; (ii) South American iron ore production and export, mainly from Brazil; and (iii) sales (and logistic services) of petroleum products in the Paraguayan market. Navios Holdings believes that the continuing development of these businesses will foster throughput growth and therefore increase revenues at Navios Logistics. Should this development be delayed, grain harvests be reduced, or the market experience an overall decrease in the demand for grain or iron ore, the operations in Navios Logistics would be adversely affected.

From March 30, 2011, Navios Acquisition is accounted for under the equity method due to the Company's significant influence over Navios Acquisition. Navios Acquisition owns a large fleet of modern crude oil, refined petroleum product and chemical tankers providing world-wide marine transportation services. Navios Acquisition strategy is to charter its vessels to international oil companies, refiners and large vessel operators under long, medium and short-term charters. Navios Acquisition is committed to providing quality transportation services and developing and maintaining long-term relationships with its customers. Navios Acquisition believes that the Navios brand will allow it to take advantage of increasing global environmental concerns that have created a demand in the petroleum products/crude oil seaborne transportation industry for vessels and operators that are able to conform to the stringent environmental standards currently being imposed throughout the world.

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' 2010 annual report on Form 20-F filed 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 voyage charter or 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 in order to adjust to anticipated changes in market rates. Navios Holdings aims to achieve an appropriate balance between owned vessels and long and short term chartered-in vessels and controls approximately 6.0 million dwt in drybulk tonnage. Navios Holdings' options to extend the charter duration of vessels it has under long-term time charter (durations of over 12 months) and its purchase options on chartered vessels permit Navios Holdings to adjust the cost and the fleet size to correspond to market conditions.
- *Available days:* Available days 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 less voyage expenses during a period divided by the number of available days during the period. The TCE rate is a standard shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters are generally not expressed in per day amounts, while charter hire rates for vessels on time charters generally are expressed in such amounts.
- *Equivalent vessels:* Equivalent vessels data is the available days of the fleet divided by the number of the calendar days in the period.

Voyage and Time Charter

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

- the duration of the charters;
- the level of spot market rates at the time of charters;
- decisions relating to vessel acquisitions and disposals;
- the amount of time spent positioning vessels;
- the amount of time that vessels spend in drydock undergoing repairs and upgrades;
- the age, condition and specifications of the vessels; and
- the aggregate level of supply and demand in the drybulk shipping industry.

Time charters are available for varying periods, ranging from a single trip (spot charter) to a long-term period which may be many years. 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 Core Fleet is 4.9 years. However, as such fleet ages or if Navios Holdings expands its fleet by acquiring previously owned and older vessels, the cost per vessel would be expected to rise and, assuming all else, including rates, remains constant, vessel profitability would be expected to decrease.

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.

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

As of March 31, 2011 and December 31, 2010, none of Navios Holdings' FFAs qualified for hedge accounting treatment. Drybulk FFAs traded by Navios Holdings that do not qualify for hedge accounting are shown at fair value in the balance sheet and changes in fair value are recorded in 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 drybulk 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. The reportable segments reflect the internal organization of the Company and are strategic businesses that offer different products and services. The Company has three reportable segments from which it derives its revenues: Drybulk Vessel Operations, Tanker Vessel Operations and Logistics Business. The Drybulk Vessel Operations business consists of transportation and handling of bulk cargoes through ownership, operation, and trading of vessels, freight, and FFAs. For Navios Holdings' reporting purposes, Navios Logistics is considered as one reportable segment, the Logistics Business segment. The Logistics Business segment consists of our port terminal business, barge business and cabotage business in the Hidrovia region of South America. Following the formation of Navios Acquisition in 2010, the Company included an additional reportable segment, the Tanker Vessel Operations business, which consists of transportation and handling of liquid cargoes through ownership, operation, and trading of tanker vessels. Navios Holdings measures segment performance based on net income.

For a more detailed discussion about Navios Logistics segment, refer to Exhibit 99.1 to this Form 6-K.

Period over Period Comparisons

For the Three Month Period ended March 31, 2011 compared to the Three Month Period ended March 31, 2010

The following table presents consolidated revenue and expense information for the three month periods ended March 31, 2011 and 2010. This information was derived from the unaudited condensed consolidated revenue and expense accounts of Navios Holdings for the respective periods.

(Expressed in thousands of U.S. dollars)	Three Month Period Ended March 31, 2011 (unaudited)	Three Month Period Ended March 31, 2010 (unaudited)
Revenue	$ 181,772	$ 154,369
Time charter, voyage and logistics business expenses	(59,114)	(76,501)
Direct vessel expenses	(34,018)	(20,044)
General and administrative expenses	(12,774)	(12,193)
Depreciation and amortization	(33,321)	(24,941)
Interest income/expense and finance cost, net	(29,437)	(21,409)
Loss on derivatives	(385)	(1,838)

(Expressed in thousands of U.S. dollars)	Three Month Period Ended March 31, 2011 (unaudited)	Three Month Period Ended March 31, 2010 (unaudited)
Gain on sale of assets	—	24,383
Loss on change in control	(35,325)	—
Loss on bond extinguishment	(21,199)	—
Other expense, net	(975)	(3,799)
(Loss)/income before equity in net earnings of affiliate companies	**(44,776)**	**18,027**
Equity in net earnings of affiliated companies	7,015	11,584
(Loss)/income before taxes	**$ (37,761)**	**$ 29,611**
Income taxes	904	768
Net (loss)/income	**(36,857)**	**30,379**
Less: Net income/(loss) attributable to the noncontrolling interest	(1,273)	922
Preferred stock dividends of subsidiary	(27)	—
Add: Preferred stock dividends attributable to the noncontrolling interest	12	—
Net (loss)/income attributable to Navios Holdings common stockholders	**$ (38,145)**	**$ 31,301**

Set forth below are selected historical and statistical data for Navios Holdings for each of the periods ended March 31, 2011 and 2010 that the Company believes may be useful in better understanding the Company's financial position and results of operations.

	Three Month Period Ended March 31,	
	2011	2010
FLEET DATA		
Available days	3,982	4,194
Operating days	3,932	4,178
Fleet utilization	98.7%	99.6%
Equivalent vessels	45	47
AVERAGE DAILY RESULTS		
Time Charter Equivalents	$ 24,622	$ 24,484

During the three month period ended March 31, 2011, there were 212 less available days as compared to the same period of 2010. This was mainly due to a decrease in short-term and long-term charter-in fleet available days of 174 days and 444 days, respectively, mitigated by an increase in the available days for owned vessels by 19.2% to 2,524 days in the first quarter of 2011 from 2,118 days in the same period of 2010.

Revenue: Revenue from drybulk vessel operations for the three months ended March 31, 2011 was $112.3 million as compared to $118.2 million for the same period during 2010. The decrease in revenue was mainly attributable to the decrease in the short-term and long-term charter-in fleet available days in the first quarter of 2011, as discussed above, as compared to the same period in 2010. The total available days of the fleet, for short-term and long-term charter-in fleet and for owned vessels, decreased by 5.1% to 3,982 in the first quarter of 2011 compared to 4,194 days for the same period of 2010. This decrease in revenue was partially offset by a slight increase in TCE rate per day by 0.6% from $24,484 per day in the first quarter of 2010 to $24,622 per day the same period of 2011.

Revenue from the logistics business was $44.4 million for the three months ended March 31, 2011 as compared to $36.2 million during the same period of 2010. This increase was mainly attributable to: (i) the acquisition of the vessel Sara H in February 2010; (ii) the delivery of the vessels Jiujiang and Stavroula in June and July 2010, respectively; (iii) the increase in volumes in the dry port terminal; (iv) the increase in the operational number of barges, mainly due to a three-year charter-in agreement for 15 tank barges, of which 13 tank barges were delivered during the third quarter of 2010 and two tank barges were delivered during the fourth quarter of 2010.

Revenue from tanker vessel operations for the three month period ended March 31, 2011 was $25.1 million. Following the delivery of a chemical tanker, the Nave Polaris, on January 27, 2011, Navios Acquisition had 874 available days and a TCE rate of $29,558. There were no operations in the corresponding period in 2010.

Time Charter, Voyage and Logistics Business Expenses: Time charter, voyage and logistic business expenses decreased by $17.4 million or 22.7% to $59.1 million for the three month period ended March 31, 2011 as compared to $76.5 million for same period in 2010. This was primarily due to a decrease in the short term and long-term fleet activity (which also negatively affected the available days of the fleet, as discussed above) and due to a decrease of $1.0 million in logistics business expenses.

Direct Vessel Expenses: Direct vessel expenses for operation of the owned fleet increased by $13.9 million to $34.0 million or 69.2% for the three month period ended March 31, 2011 as compared to $20.1 million for the same period in 2010. Direct vessel expenses include crew costs, provisions, deck and engine stores, lubricating oils, insurance premiums and maintenance and repairs. Out of the total amounts for the three month period ended March 31, 2011 and 2010, $14.4 million and $10.7 million, respectively, relate to Navios Logistics.

The drybulk direct vessel expenses increased by $2.6 million or 27.7% to $12.0 million for the three month period ended March 31, 2011 as compared to $9.4 million for same period in 2010. The increase resulted primarily from the increase in available days for owned vessels from 2,118 days during 2010 to 2,524 days during 2011 following (i) the delivery of owned vessels at various times during 2010 and first quarter of 2011; and (ii) the increase in crew costs, spares and lubricating oils.

The tanker direct vessel expenses are $7.6 million for the three month period ended March 31, 2011 as compared to $0 for the same period in 2010.

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

(Expressed in thousands of U.S. dollars)	Three Month Period Ended March 31, 2011 (unaudited)	Three Month Period Ended March 31, 2010 (unaudited)
Payroll and related costs (1)	5,306	4,192
Professional, legal and audit fees (1)	1,244	1,304
Navios Logistics	2,827	3,397
Navios Acquisition	1,025	—
Other (1)	315	640
Sub-total	10,717	9,533
Credit risk insurance (1)	2,057	2,660
General and administrative expenses	12,774	12,193

(1) Excludes the logistics business and tanker vessels business, which are reflected in the line items for Navios Logistics and Navios Acquisition.

General and administrative expenses increased by $0.6 million to $12.8 million or 4.9% for the three month period ended March 31, 2011 as compared to $12.2 million for the same period of 2010. The increase was attributable mainly to: (a) a $1.1 million increase in payroll and other related costs; and (b) a $1.0 million increase in general and administrative expenses attributable to Navios Acquisition. The overall increase was partially offset by: (a) a $0.6 million decrease in general and administrative expenses relating to the logistics business; (b) a $0.6 million decrease relating to credit risk insurance premium; and (c) a $0.3 million decrease in other general and administrative expenses.

Depreciation and Amortization: For the three month period ended March 31, 2011, depreciation and amortization increased by $8.4 million to $33.3 million or 33.7% as compared to $24.9 million for the same period in 2010. The increase was primarily due to (a) an increase in depreciation of drybulk vessels by $1.9 million due to the increase of the owned fleet vessels; (b) an increase of $0.4 million from the logistics business mainly due to the new fleet acquired in 2010; and (c) an increase of $8.0 million attributable to Navios Acquisition. The overall increase of $10.3 was mitigated by a decrease of $1.9 million in amortization of favorable and unfavorable leases.

Interest Income/Expense and Finance Cost, Net: Interest income/expense and finance cost, net for the three month period ended March 31, 2011 increased by $8.0 million to $29.4 million, as compared to $21.4 million in the same period of 2010. This increase was mainly due to (a) interest expense attributable to Navios Acquisition amounting to $8.7 million compared to $0 for the same period in 2010; and (b) a $0.2 million increase in interest expense and financing cost due to the outstanding loan balances of Navios Logistics for the three month period ended March 31, 2011. This increase was mitigated by (a) a decrease in average LIBOR rate to 0.30% for the three month period ended March 31, 2011 as compared to 0.37% for the same period in 2010; (b) an increase in interest income by $0.4 million to $1.1 million for the three month period ended March 31, 2011 from $0.7 million in the same period of 2010; and (c) a decrease in amortization of financing costs by $0.6 million.

Loss on Derivatives: Loss on derivatives decreased to $0.4 million during the three month period ended March 31, 2011 as compared to $1.8 million for the same period in 2010, primarily due to a decrease in loss from FFA derivatives. Navios Holdings records the change in the fair value of derivatives at each balance sheet date. The FFA 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
February 2, 2011	$ 10,372 (a)
March 11, 2011	$ 17,115 (b)
March 31, 2011	$ 15,807 (*)
February 15, 2010	$ 24,249 (c)
March 22, 2010	$ 35,007 (d)
March 31, 2010	$ 29,566 (*)

(a) Low for Q1 — 2011

(b) High for Q1 — 2011

(c) Low for Q1 — 2010

(d) High for Q1 — 2010

(*) End of period rate

Gain on Sale of Assets: There was no gain on sale of assets for the three month period ended March 31, 2011. During the same period in 2010, gain on sale of assets was $24.4 million, which resulted from a gain of $23.8 million from the sale of the Navios Hyperion and a gain of $0.6 million from the sale of the Navios Aurora II to Navios Partners on January 8, 2010 and March 18, 2010, respectively.

Loss on Change in Control: On March 30, 2011, Navios Holdings completed the Navios Acquisition Share Exchange whereby Navios Holdings exchanged 7,676,000 shares of Navios Acquisition's common stock it held for non-voting Series C preferred stock of Navios Acquisition pursuant to an Exchange Agreement entered into on March 30, 2011 between Navios Acquisition and Navios Holdings. From that date onwards, Navios Acquisition is considered as an affiliate entity of Navios Holdings and is not a controlled subsidiary of the Company, and the investment in Navios Acquisition is now accounted for under the equity method due to the Company's significant influence over Navios Acquisition. Navios Acquisition will be accounted for under the equity method of accounting based on Navios Holdings' 53.7% economic interest in Navios Acquisition, since the preferred shares are considered in substance common stock from an accounting perspective. On March 30, 2011, based on the equity method, the Company recorded an investment in Navios Acquisition of $103.3 million, which represents the fair value of the common stock and Series C preferred stock that was held by Navios Holdings on such date. On March 30, 2011, the Company accounted a loss on change in control of $35.3 million, which is equal to the fair value of the Company's investment in Navios Acquisition of $103.3 million less the Company's portion of Navios Acquisition's net assets on March 30, 2011.

Loss on Bond Extinguishment: In December 2006, the Company issued $300.0 million in senior notes at a fixed rate of 9.5% due on December 15, 2014 ("2014 Notes"). On January 28, 2011, Navios Holdings completed the sale of $350.0 million of 8.125% Senior Notes due 2019 (the "2019 Notes"). The net proceeds from the sale of the 2019 Notes were used to redeem all of Navios Holdings' 2014 Notes and pay related transaction fees and expenses and for general corporate purposes. As a result of such transaction, we recorded expenses from bond extinguishment of $21.2 million,

Other Expense, Net: Other expense, net decreased by $2.8 million to $1.0 million for the three month period ended March 31, 2011, from $3.8 million for the same period in 2010. Out of the total decrease of $2.8 million, the effect of Navios Logistics and Navios Acquisition is less than $0.1 million. This decrease was mainly due to (a) a $4.2 million decrease in provision for losses on accounts receivable; and (b) a $1.3 million decrease in voyage miscellaneous expenses. This decrease was primarily mitigated by (a) a $0.3 million decrease in interest income from finance leases, (b) a $2.2 million decrease in miscellaneous income and (c) a $0.2 million decrease in other expenses.

Equity in Net Earnings of Affiliated Companies: Equity in net earnings of affiliated companies decreased by $4.6 million to $7.0 million for the three month period ended March 31, 2011, from $11.6 million for the same period in 2010. This decrease was mainly due to a decrease of $4.6 million in deferred gain amortization. The Company recognizes the gain from the sale of vessels to Navios Partners immediately in earnings only to the extent of the interest in Navios Partners owned by third parties and defers recognition of the gain to the extent of its own ownership interest in Navios Partners (the "deferred gain") (see also "Related Party Transactions" section). Subsequently, the deferred gain is amortized to income over the remaining useful life of the vessel. The recognition of the deferred gain is accelerated in the event that (i) the vessel is subsequently sold or otherwise disposed of by Navios Partners or (ii) the Company's ownership interest in Navios Partners is reduced.

Income Tax: Income tax increased by $0.1 million to $0.9 million for the three month period ended March 31, 2011, as compared to $0.8 million for the same period in 2010. The main reason was the increase in income taxes relating to Navios Logistics.

Net (Loss)/Income Attributable to the Noncontrolling Interest: Net loss attributable to the noncontrolling interest increased by $2.2 million for the three month period ended March 31, 2011 to $1.3 million loss from a $0.9 million income for the same period in 2010. This increase in loss was attributable to Navios Logistics.

Liquidity and Capital Resources

Navios Holdings has historically financed its capital requirements with cash flows from operations, equity contributions from stockholders and credit facilities and other debt financings. Main uses of funds have been capital expenditures for the acquisition of new vessels, new construction and upgrades at the port terminals, expenditures incurred in connection with ensuring that the owned vessels comply with international and regulatory standards, repayments of credit facilities 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 for up to $25.0 million of Navios Holdings' common stock. Share repurchases are made pursuant to a program adopted under Rule 10b5-1 under the Exchange Act. The program does not require any minimum purchase or any specific number or amount of shares and may be suspended or reinstated at any time in Navios Holdings' discretion and without notice. Repurchases are subject to restrictions under the terms of the Company's credit facilities and indentures. There were no shares repurchased during the fiscal quarter ended March 31, 2011 or for the year ended December 31, 2010.

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, 2011 and 2010.

(Expressed in thousands of U.S. dollars)	Three Month Period Ended March 31, 2011 (unaudited)	Three Month Period Ended March 31, 2010 (unaudited)
Net cash provided by operating activities	$ 54,933	$ 24,032
Net cash (used in)/provided by investing activities	(133,566)	58,736
Net cash provided by/(used in) financing activities	51,383	(45,781)
(Decrease)/increase in cash and cash equivalents	**(27,250)**	**36,987**
Cash and cash equivalents, beginning of the period	207,410	173,933
Cash and cash equivalents, end of period	**$ 180,160**	**$ 210,920**

Cash provided by operating activities for the three month period ended March 31, 2011 as compared to the three month period ended March 31, 2010:

Net cash provided by operating activities increased by $30.9 million to $54.9 million for the three month period ended March 31, 2011 as compared to $24.0 million for the same period of 2010. 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 aggregate adjustments to reconcile net loss to net cash provided by operating activities was a $78.3 million gain for the three month period ended March 31, 2011, which consisted mainly of the following adjustments: $33.3 million of depreciation and amortization, $1.2 million of amortization of deferred drydock expenses, $1.3 million of amortization of deferred finance fees, $0.3 million of unrealized losses on FFAs, $5.6 million of expenses from bond extinguishment, $1.0 million relating to share-based compensation, $35.3 million loss on change in control and a $1.3 million movement in earnings in affiliates net of dividends received. These adjustments were partially offset by a $0.1 million decrease in provision for losses on accounts receivable and a $0.9 million decrease in income taxes.

The change in operating assets and liabilities of $13.5 million for the three month period ended March 31, 2011 resulted from a $0.5 million decrease in restricted cash, $24.5 million increase in accrued expenses, a $7.7 million increase in deferred income, a $0.1 million increase in derivative accounts and a $3.2 million increase in other long term liabilities. These were partially offset by a $2.6 million increase in accounts receivable, a $4.3 million increase in due from affiliates, $3.9 million relating to payments for drydock and special survey costs, a $7.1 million decrease in accounts payable and a $4.6 million increase in prepaid expenses and other assets.

The aggregate adjustments to reconcile net income to net cash provided by operating activities in the three months ended March 31, 2010 was a $11.1 million gain for this period, which consisted mainly of the following adjustments: $24.9 million of depreciation and amortization, $0.6 million of amortization of deferred drydock expenses, $1.6 million of amortization of deferred finance fees, a $4.1 million provision for losses on accounts receivable, $5.8 million of unrealized losses on FFAs, $0.6 million relating to share-based compensation. These adjustments were partially offset by a $24.4 million gain from sale of the Navios

Hyperion and the Navios Aurora II to Navios Partners, a $0.8 million decrease in income taxes, $0.2 million of unrealized gain on interest rate swaps and $1.1 million increase in earnings in affiliates net of dividends received.

The change in operating assets and liabilities of $17.4 million for the three month period ended March 31, 2010 resulted from a $2.6 million increase in accounts receivable, a $2.0 million increase in prepaid expenses and other assets, a $6.5 million increase in due from affiliates, a $1.7 million relating to payments for drydock and special survey costs, a $12.6 million decrease in accounts payable, a $0.7 million decrease in deferred income and a $6.0 million decrease in other long-term liabilities. These were offset by a $0.3 million increase in restricted cash, an $11.5 million increase in accrued expenses and a $2.9 million increase in derivative accounts.

Cash used in investing activities for the three month period ended March 31, 2011 as compared to the cash provided by investing activities for the three month period ended March 31, 2010:

Cash used in investing activities was $133.6 million for the three month period ended March 31, 2011, while for the same period of 2010 cash provided by investing activities was $58.7 million.

Cash used in investing activities for the three months ended March 31, 2011 was the result of: (a) a $72.4 million decrease in cash balance representing the cash held by Navios Acquisition on the date of the deconsolidation; (b) $3.0 million of deposits for acquisitions of tanker vessels under construction; (c) $51.5 million paid for the acquisition of the vessels Navios Azimuth, Navios Altamira and Navios Astra, and $4.5 million paid for the delivery of the Nave Polaris on January 27, 2011; and (d) the purchase of other fixed assets amounting to $2.9 million mainly relating to Navios Logistics. The above was partially offset by $0.7 million decrease in restricted cash.

Cash provided by investing activities for the three months ended March 31, 2010 was $58.7 million. This was the result of: (a) proceeds of $63.0 million and $90.0 million from the sale of the Navios Hyperion and the Navios Aurora II to Navios Partners, respectively; and (b) $0.1 million in connection with a capital lease receivable. The above was offset by: (a) the deposits for acquisitions of Capesize vessels under construction amounting to $64.7 million; (b) $26.6 million increase in cash held in a pledged account; and (c) the purchase of other fixed assets amounting to $3.0 million mainly relating to Navios Logistics.

Cash provided by financing activities for the three month period ended March 31, 2011 as compared to the cash used in financing activities for the three month period ended March 31, 2010:

Cash provided by financing activities was $51.4 million for the three month period ended March 31, 2011, while for the same period of 2010, cash used in financing activities was $45.8 million.

Cash provided by financing activities for the three months ended March 31, 2011 was the result of (a) $35.7 million of loan proceeds (net of relating finance fees of $0.7 million) in connection with (i) $33.0 million of Navios Holdings' loan proceeds for financing the acquisition of Navios Azimuth and Navios Altamira, (ii) $3.0 million of Navios Acquisition's loan proceeds (net of relating finance fees of $0.4 million) and (iii) $0.3 million finance costs relating to Navios Logistics, (b) $341.0 million net proceeds from the sale of 8.125% Senior Notes due 2019; and (c) $0.4 million proceeds from the exercise of options to purchase common stock. This was partially offset by: (a) the repayment of $300.0 million of notes, from the proceeds of the sale of the 2019 Notes; (b) $17.2 million of installments paid in connection with Navios Holdings' outstanding indebtedness (including Navios Acquisition and Navios Logistics); (c) a $0.5 million increase in restricted cash relating to loan repayments; (d) $0.3 million relating to payments for capital lease obligations; and (e) $7.7 million of dividends paid to the Company's shareholders.

Cash used in financing activities for the three months ended March 31, 2010 was the result of (a) $78.6 million of installments paid in connection with Navios Holdings' outstanding indebtedness, (b) $7.0 million of dividends paid in the three months ended March 31, 2010, (c) $0.5 million of contributions to noncontrolling shareholders relating to the Logistics Business and (d) a $1.1 million increase in restricted cash required under the amendment of one of its facility agreements. This was partially offset by $41.4 million of loan proceeds (net of relating finance fees of $0.5 million) in connection with the drawdown of $9.3 million from the loan facility with Marfin Egnatia Bank, a $14.8 million drawdown from Emporiki Bank to finance the purchase of Navios Antares, a $17.5 million drawdown from Commerzbank for the construction of one Capesize vessel and a $0.3 million loan proceeds relating to the Logistics Business.

Adjusted EBITDA: EBITDA represents net income before interest, taxes, depreciation, and amortization. Adjusted EBITDA in this document 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 presents useful information to investors regarding Navios Holdings' ability to service and/or incur indebtedness, pay capital expenditures, meet working capital requirements and pay dividends. Navios Holdings also believes that Adjusted EBITDA is used: (i) by prospective and current lessors as well as potential lenders to evaluate potential transactions; and (ii) to evaluate and price potential acquisition candidates.

EBITDA and Adjusted EBITDA have limitations as analytical tools, and should not be considered in isolation or as substitutes for the analysis of Navios Holdings' results as reported under U.S. GAAP. Some of these limitations are: (i) EBITDA and Adjusted EBITDA do 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, EBITDA and Adjusted EBITDA do not reflect any cash requirements for such capital expenditures. Because of these limitations, EBITDA and

Adjusted EBITDA should not be considered as principal indicators of Navios Holdings' performance. Furthermore, our calculation of EBITDA and Adjusted EBITDA may not be comparable to that reported by other companies due to differences in methods of calculation.

Adjusted EBITDA Reconciliation to Cash from Operations

(Expressed in thousands of U.S. dollars)	Three Month Period Ended March 31, 2011 (unaudited)	Three Month Period Ended March 31, 2010 (unaudited)
Net cash provided by operating activities	$ 54,933	$ 24,032
Net increase in operating assets	11,026	10,819
Net (increase)/decrease in operating liabilities	(28,374)	4,938
Net interest cost	29,437	21,409
Deferred finance charges	(1,331)	(1,614)
Provision for gains/(losses) on accounts receivable	115	(4,066)
Unrealized loss on FFA derivatives, warrants and interest rate swaps	(5,836)	(5,530)
(Loss)/earnings in affiliates, net of dividends received	(1,303)	1,094
Payments for drydock and special survey	3,876	1,663
Net (loss)/income attributable to the noncontrolling interest	(1,273)	922
Preferred stock dividends attributable to the noncontrolling interest	12	—
Preferred stock dividends of subsidiary	(27)	—
Loss on change in control	(35,325)	—
Gain on sale of assets	—	24,383
Adjusted EBITDA	**$ 25,930**	**$ 78,050**

Adjusted EBITDA for the first quarter of 2011 and 2010 was $25.9 million and $78.1 million, respectively. The $52.2 million decrease in Adjusted EBITDA was primarily due to (a) an increase in direct vessel expenses (excluding the amortization of deferred drydock and special survey costs) by $13.3 million; (b) an increase in general and administrative expenses by $0.2 million (excluding share based compensation expenses); (c) a decrease in gain on sale of assets by $24.4 million; (d) $35.3 million loss due to the deconsolidation of Navios Acquisition; (e) an increase in loss attributable to the noncontrolling interest by $2.2 million; (f) $21.2 million of expenses relating to the bond extinguishment in January 2011; and (g) a decrease in equity in net earnings from affiliated companies by $4.6 million. This overall variance of $101.2 million was mitigated by (a) an increase in revenue of $27.4 million to $181.8 in the first quarter of 2011 from $154.4 million in the same period of 2010; (b) a decrease in time charter, voyage and logistics business expenses by $17.4 million to $59.1 million in the first quarter of 2011,from $76.5 million in the same period of 2010; (c) a decrease in losses on derivatives by $1.4 million; and (d) a decrease in net other expenses by $2.8 million.

Long-term Debt Obligations and Credit Arrangements

Navios Holdings loans

In December 2006, the Company issued $300.0 million in senior notes at a fixed rate of 9.5% due on December 15, 2014. On January 28, 2011, Navios Holdings completed the sale of 2019 Notes at a fixed rate of 8.125%. The net proceeds from the sale of the 2019 Notes were used to redeem any and all of Navios Holdings' outstanding 2014 Notes and pay related transaction fees and expenses and for general corporate purposes. As a result of such transaction, Navios Holdings recorded expenses from bond extinguishment of $21.2 million.

Senior Notes: On January 28, 2011, the Company and its wholly owned subsidiary, Navios Maritime Finance II (US) Inc. ("NMF" and, together with the Company, the "Co-Issuers") issued $350.0 million in senior notes due on February 15, 2019 at a fixed rate of 8.125%. 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 NMF, Navios Maritime Finance (US) Inc., Navios Acquisition and its subsidiaries, Navios Logistics and its subsidiaries and Navios GP L.L.C. The Co-Issuers have the option to redeem the notes in whole or in part, at any time (i) before February 15, 2015, at a redemption price equal to 100% of the principal amount, plus a make-whole premium, plus accrued and unpaid interest, if any, and (ii) on or after February 15, 2015, at a fixed price of 104.063% of the principal amount, which price declines ratably until it reaches par in 2017, plus accrued and unpaid interest, if any. At any time before February 15, 2014, the Co-Issuers may redeem up to 35% of the aggregate principal amount of the notes with the net proceeds of an equity offering at 108.125% 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, upon the occurrence of certain change of control events, the holders of the notes will have the right to require the Co-Issuers to repurchase some or all of the notes at 101%

of their face amount, plus accrued and unpaid interest to the repurchase date. Under a registration rights agreement, the Co-Issuers and the guarantors are obliged to file a registration statement prior on or to June 27, 2011, that enables the holders of notes to exchange the privately placed notes with publicly registered notes with identical terms. The senior notes contain covenants which, among other things, limit the incurrence of additional indebtedness, issuance of certain preferred stock, the payment of dividends, redemption or repurchase of capital stock or making restricted payments and investments, creation of certain liens, transfer or sale of assets, entering in transactions with affiliates, merging or consolidating or selling all or substantially all of the Co-Issuers' properties and assets and creation or designation of restricted subsidiaries. The Co-Issuers are in compliance with the covenants as of March 31, 2011.

Ship Mortgage Notes: In November 2009, the Company and its wholly owned subsidiary, Navios Maritime Finance (US) Inc. (together, the "Co-Issuers") issued $400.0 million of first priority ship mortgage notes due on November 1, 2017 at a fixed rate of 8.875%. The ship mortgage notes are senior obligations of the Co-Issuers and are secured by first priority ship mortgages on 15 vessels owned by certain subsidiary guarantors and other related collateral securities. The ship mortgage notes are fully and unconditionally guaranteed, jointly and severally by all of the Company's direct and indirect subsidiaries that guarantee the 2019 Notes. The guarantees of the Company's subsidiaries that own mortgage vessels are senior secured guarantees and the guarantees of the Company's subsidiaries that do not own mortgage vessels are senior unsecured guarantees. At any time before November 1, 2012, the Co-Issuers may redeem up to 35% of the aggregate principal amount of the ship mortgage notes with the net proceeds of a public equity offering at 108.875% of the principal amount of the ship mortgage notes, plus accrued and unpaid interest, if any, so long as at least 65% of the originally issued aggregate principal amount of the ship mortgage notes remains outstanding after such redemption. In addition, the Co-Issuers have the option to redeem the ship mortgage notes in whole or in part, at any time (1) before November 1, 2013, at a redemption price equal to 100% of the principal amount plus a make whole price which is based on a formula calculated using a discount rate of treasury bonds plus 50 bps, and (2) on or after November 1, 2013, at a fixed price of 104.438%, which price declines ratably until it reaches par in 2015. Furthermore, upon occurrence of certain change of control events, the holders of the ship mortgage notes may require the Co-Issuers to repurchase some or all of the notes at 101% of their face amount. Pursuant to the terms of a registration rights agreement, as a result of satisfying certain conditions, the Co-Issuers and the guarantors are not obligated to file a registration statement that would have enabled the holders of ship mortgage notes to exchange the privately placed notes with publicly registered notes with identical terms. The ship mortgage 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 certain transactions with affiliates, merging or consolidating or selling all or substantially all of Co-Issures' properties and assets and creation or designation of restricted subsidiaries. The Co-Issuers are in compliance with the covenants as of March 31, 2011.

Loan Facilities:

The majority of the Company's senior secured credit facilities include maintenance covenants, including loan-to-value ratio covenants, based on either charter-adjusted valuations, or charter-free valuations. As of March 31, 2011, the Company was in compliance with all of the covenants under each of its credit facilities outlined below.

HSH/Commerzbank Facility: In February 2007, Navios Holdings entered into a secured loan facility with HSH Nordbank and Commerzbank AG maturing on October 31, 2014. The facility was composed of a $280.0 million term loan facility and a $120.0 million reducing revolving facility. In April 2008, the Company entered into an agreement for the amendment of the facility due to a prepayment of $10.0 million. In March 2009, Navios Holdings further amended its facility agreement, effective as of November 15, 2008, as follows: (a) to reduce the Security Value Maintenance ratio ("SVM") (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 was effective until January 31, 2010.

Following the sale of the Navios Apollon on October 29, 2009, Navios Holdings prepaid $13.5 million of the loan facility and permanently reduced its revolving credit facility by $4.8 million.

Following the issuance of the ship mortgage notes in November 2009, the mortgages and security interests on ten vessels previously secured by the loan and the revolving facility were fully released in connection with the partial prepayment of the facility with approximately $197.6 million, of which $195.0 million was funded from the issuance of the ship mortgage notes and the remaining $2.6 million from the Company's cash. The Company permanently reduced the revolving facility by an amount of $26.7 million and the term loan facility by $80.1 million. In April 2010, Navios Holdings further amended its facility agreement with HSH/Commerzbank as follows: (a) to release certain pledge deposits amounting to $117.5 million and to accept additional securities of substitute vessels; and (b) to set a margin ranging from 115 bps to 175 bps depending on the security value. In April 2010, the available amount of $21.6 million under the revolving facility was drawn and an amount of $117.5 million was kept in a pledged account. On April 29, 2010, restricted cash of $18.0 million was drawn to finance the acquisition of the Navios Vector. An amount of $74.0 million was drawn from the pledged account to finance the acquisitions of the Navios Melodia and the Navios Fulvia ($37.0 million for each vessel) and a prepayment of $25.6 million was made on October 1, 2010. As a result, no outstanding amount was kept in the pledged account as of December 31, 2010 and as of March 31, 2011.

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

On November 15, 2010, following the sale of the Navios Melodia and the Navios Fulvia to Navios Partners for a total consideration of $177.0 million, of which $162.0 million was paid in cash and the remaining in Navios Partners' units, Navios Holdings fully repaid its outstanding loan balance with HSH Nordbank in respect of the two vessels amounting to $71.9 million.

As of March 31, 2011, the outstanding amount under the revolving credit facility was $14.2 million and the outstanding amount under the loan facility was $62.2 million. On May 19, 2011, in connection with the sale of the Navios Orbiter to Navios Partners, Navios Holdings repaid $20.2 million of the outstanding loan associated with this vessel.

Emporiki Facilities: In December 2007, Navios Holdings entered into a facility agreement with Emporiki Bank of Greece of up to $154.0 million in order to partially finance the construction of two Capesize bulk carriers. In July 2009, following an amendment of the above-mentioned agreement, the amount of the facility has been changed to up to $130.0 million.

On March 18, 2010, following the sale of the Navios Aurora II to Navios Partners, Navios Holdings repaid $64.4 million and the outstanding amount of the facility has been reduced to $64.4 million. The amended facility is repayable in 10 semi-annual installments of $3.0 million and 10 semi-annual installments of $2.0 million with a final balloon payment of $14.9 million on the last payment date. The interest rate of the amended facility is based on a margin of 175 bps. The loan facility requires compliance with certain financial covenants and the covenants contained in the senior notes. As of March 31, 2011, the outstanding amount under this facility was $58.4 million. On May 19, 2011, in connection with the sale of the Navios Luz to Navios Partners, Navios Holdings repaid $37.5 million of the outstanding loan associated with this vessel.

In August 2009, Navios Holdings entered into another facility agreement with Emporiki Bank of Greece of up to $75.0 million (divided into two tranches of $37.5 million) to partially finance the acquisition costs of two Capesize vessels. Each tranche of the facility is repayable in 20 semi-annual installments of $1.4 million with a final payment of $10.0 million on the last payment date. The repayment of each tranche starts six months after the delivery date of the respective Capesize vessel. It bears interest at a rate of LIBOR plus 175 bps. As of March 31, 2011, the full amount of $75.0 million was drawn under this facility.

In September 2010, Navios Holdings entered into another facility agreement with Emporiki Bank of Greece of up to $40.0 million in order to partially finance the construction of one Capesize bulk carrier, the Navios Azimuth, which was delivered on February 14, 2011 to Navios Holdings. The loan is repayable in 20 semi-annual equal installments of $1.5 million, with a final balloon payment of $10.0 million on the last payment date. It bears interest at a rate of LIBOR plus 275 bps. The loan facility requires compliance with certain financial covenants and the covenants contained in the senior notes. As of March 31, 2011, the amount drawn was $40.0 million.

DNB Facilities: In June 2008, Navios Holdings entered into a facility agreement with DNB NOR BANK ASA of up to $133.0 million in order to partially finance the construction of two Capesize bulk carriers. In June 2009, following an amendment of the above-mentioned agreement, one of the two tranches amounting to $66.5 million was cancelled following the cancellation of construction of one Capesize bulk carrier. The amended facility is repayable six months following the delivery of the Capesize vessel in 11 semi-annual installments of $2.9 million, with a final payment of $34.6 million on the last payment date. The interest rate of the amended facility is based on a margin of 225 bps as defined in the new agreement. As of March 31, 2011, the outstanding amount under this facility was $60.7 million.

In August 2010, Navios Holdings entered into a facility agreement with DNB NOR BANK ASA of up to $40.0 million in order to partially finance the construction of one Capesize bulk carrier, the Navios Altamira, which was delivered on January 28, 2011 to Navios Holdings. The loan is repayable three months following the delivery of the Capesize vessel in 24 equal quarterly installments of $645,000 with a final balloon payment of $24.5 million on the last payment date. It bears interest at a rate of LIBOR plus 275 bps. The loan facility requires compliance with certain financial covenants and the covenants contained in the senior notes. As of March 31, 2011, the amount drawn was $40.0 million.

Dekabank Facility: In February 2009 (amended and restated in May 2009), Navios Holdings entered into a facility of up to $120.0 million with Dekabank Deutsche Girozentrale to finance the acquisition of two Capesize vessels. The loan is repayable in 20 semi-annual installments and bears an interest rate based on a margin of 190 bps. The loan facility requires compliance with certain financial covenants and the covenants contained in the senior notes. Following the sale of the Navios Pollux to Navios Partners in May 2010, an amount of $39.0 million was kept in a pledged account pending the delivery of a substitute vessel as collateral to this facility. The amount of $39.0 million kept in the pledged account was released to finance the delivery of the Capesize vessel Navios Buena Ventura that was delivered to Navios Holdings on October 29, 2010. As of March 31, 2011, $83.0 million was outstanding under this facility.

Marfin Facility: In March 2009, Navios Holdings entered into a loan facility with Marfin Egnatia Bank of up to $110.0 million to be used to finance the pre-delivery installments for the construction of newbuilding vessels and for general corporate purposes. It bears interest at a rate based on a margin of 275 bps. During 2010, a total amount of $43.4 million was drawn and has been fully repaid. Since September 7, 2010, the available amount of the loan facility has been reduced to $30.0 million. On May 10, 2011, the amount of $18.9 million was drawn to finance the acquisition of the Navios Astra.

Commerzbank Facility: In June 2009, Navios Holdings entered into a new facility agreement of up to $240.0 million (divided into four tranches of $60.0 million) with Commerzbank AG in order to partially finance the acquisition of a Capesize vessel and the construction of three Capesize vessels. Each tranche of the facility is repayable starting three months after the delivery of each

Capesize vessel in 40 quarterly installments of $0.9 million with a final payment of $24.7 million on the last payment date. It bears interest at a rate based on a margin of 225 bps. As of March 31, 2011, the outstanding amount was $109.8 million. The loan facility requires compliance with the covenants contained in the senior notes. Following the sale of two Capesize vessels, the Navios Melodia and the Navios Buena Ventura, on September 20, 2010 and October 29, 2010 to Navios Partners, respectively, Navios Holdings cancelled two of the four tranches and fully repaid in October 2010 their outstanding loan balances of $53.6 million and $54.5 million, respectively.

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

Navios Logistics loans

Marfin Facility

On March 31, 2008, Nauticler 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. In March 2009, Navios Logistics transferred its loan facility of $70.0 million to Marfin Popular Bank Public Co. Ltd. The loan provided for an additional one year extension and an increase in margin to 275 basis points. On March 23, 2010, the loan was extended for one additional year, providing an increase in margin to 300 basis points. On March 29, 2011, Navios Logistics agreed with Marfin Popular Bank to amend its current loan agreement with its subsidiary, Nauticler S.A., to provide for a $40.0 million revolving credit facility. The amended facility provides for the existing margin of 300 basis points and would be secured by mortgages on four tanker vessels or alternative security over other assets acceptable to the bank. The amended facility will require compliance with customary covenants. The obligation of the bank under the amended facility is subject to prepayment of the $70.0 million facility and is subject to customary conditions, such as the receipt of satisfactory appraisals, insurance, opinions and the negotiation, execution and delivery of mutually satisfactory loan documentation. In connection with the amendment, Nauticler S.A. agreed to prepay the $70.0 million through the proceeds of the Logistics Senior Notes (see Note 16 to the condensed consolidated financial statements appearing elsewhere in this Form 6-K). As of March 31, 2011, the amount outstanding under this facility was $70.0 million.

On April 12, 2011, Navios Logistics issued $200.0 million of Logistics Senior Notes due on April 15, 2019, at a fixed rate of 9.25%. The net proceeds from the Logistics Senior Notes were approximately $194.0 million, after deducting related fees and estimated expenses, and will be used to (i) purchase barges and pushboats; (ii) repay existing indebtedness; and (iii) to the extent available, for general corporate purposes. As of April 12, 2011, Navios Logistics, using the proceeds from the Logistics Senior Notes, fully repaid the $70.0 million loan facility with Marfin Popular Bank.

Non-Wholly Owned Subsidiaries Indebtedness

In connection with the acquisition of Horamar, Navios Logistics 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 8,974 dwt double hull tanker (Malva H). Since the vessel's delivery, the interest rate has been LIBOR plus 150 bps. The loan is repaid in 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 extend beyond December 31, 2011. The loan can be pre-paid before such date, with two days written notice. The loan also requires compliance with certain covenants. As of March 31, 2011, the amount outstanding under this facility was $6.6 million.

In connection with the acquisition of Horamar, Navios Logistics assumed a $2.3 million loan facility that was entered into by Thalassa Energy S.A., a majority owned subsidiary of Navios Logistics, in October 2007, in order to finance the purchase of two self-propelled barges (the Formosa and San Lorenzo). The loan bears interest at LIBOR plus 150 bps. The loan is repaid in five equal installments of $0.5 million four of which were made in November 2008, June 2009, January and August 2010 and the remaining one was repaid in March 2011. The loan also requires compliance with certain covenants. The loan was secured by a first priority mortgage over the two self-propelled barges. As of March 31, 2011, the loan was fully repaid.

On September 4, 2009, HS Navigation Inc. entered into a loan facility for an amount of up to $18.7 million that bears interest at LIBOR plus 225 bps in order to finance the acquisition cost of the Estefania H. The loan is repayable in installments that shall not be less than the highest of (a) 90% of the amount of the last hire payment due to HS Navigation Inc. prior to the repayment date, and (b) $0.3 million inclusive of any interest accrued in relation to the loan at that time. The repayment date must occur prior to May 15, 2016. The loan also requires compliance with certain covenants. As of March 31, 2011, the amount outstanding under this facility was $14.4 million.

On December 15, 2009, HS Tankers Inc., a majority owned subsidiary of Navios Logistics, entered into a loan facility in order to finance the acquisition cost of the Makenita H for an amount of $24.0 million which bears interest at LIBOR plus 225 bps. The loan is repayable in installments that shall not be less than the highest of (a) 90% of the amount of the last hire payment due to HS Tankers Inc. prior to the repayment date, and (b) $0.3 million, inclusive of any interest accrued in relation to the loan at that time. The repayment date must occur prior to March 24, 2016. The loan also requires compliance with certain covenants. As of March 31, 2011, the amount outstanding under this facility was $20.5 million.

On December 20, 2010, HS South Inc., a majority owned subsidiary of Navios Logistics, entered into a loan facility in order to finance the acquisition cost of the Sara H for an amount of $14.4 million which bears interest at LIBOR plus 225 bps. The loan will be repaid by installments. The loan is repayable in installments that shall not be less than the highest of (a) 90% of the amount of the last hire payment due to be HS South Inc. prior to the repayment date and (b) $0.3 million, inclusive of any interest accrued in relation to the loan at that time. The repayment date must occur prior to May 24, 2016. The loan also requires compliance with certain covenants. As of March 31, 2011, the amount outstanding under this facility was $13.8 million.

Other Indebtedness

In connection with the acquisition of Hidronave S.A. in October 29, 2009, Navios Logistics assumed an $0.8 million loan facility that was entered into by Hidronave S.A. in 2001, in order to finance the construction of a pushboat (Nazira). As of March 31, 2011, the outstanding loan balance was $0.7 million. The loan facility bears interest at a fixed rate of 600 bps. The loan is repaid in installments of $5,740 each and the final repayment date can not extend beyond August 10, 2021. The loan also requires compliance with certain covenants.

As of March 31, 2011, Navios Logistics and its subsidiaries were in compliance with all of the covenants under each of its credit facilities.

The maturity table below reflects the principal payments for the next five years and thereafter of all borrowings of Navios Holdings (including Navios Logistics) outstanding as of March 31, 2011, based on the repayment schedule of the respective loan facilities (as described above) and the outstanding amount due under the debt securities.

Payment due by period	Amounts in millions of U.S. dollars
March 31, 2012	$ 63.4
March 31, 2013	77.3
March 31, 2014	58.2
March 31, 2015	97.9
March 31, 2016	82.5
March 31, 2017 and thereafter	1,060.0
Total	**$ 1,439.3**

Contractual Obligations:

	March 31, 2011 Payment due by period (Amounts in millions of U.S. Dollars)				
Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Long-term debt (1)	$ 1,439.3	$ 63.4	$ 135.5	$ 180.4	$ 1,060.0
Operating Lease Obligations (Time Charters)	951.5	91.5	206.8	190.4	462.8
Operating Lease Obligations Push Boats and Barges (Time Charters)	11.8	5.9	5.9	—	—
Capital lease obligations	32.0	1.0	31.0	—	—
Rent Obligations (2)	16.6	2.1	4.1	4.2	6.2
Total	**$ 2,451.2**	**$ 163.9**	**$ 383.3**	**$ 375.0**	**$ 1,529.0**

(1) The amount identified does not include interest costs associated with the outstanding credit facilities, which for variable rate debt is based on LIBOR rates, plus the costs of complying with any applicable regulatory requirements and a margin ranging from 1.25% to 3.00% per annum and stated interest rate for fixed rate debt.

(2) Navios Corporation leases approximately 11,923 square feet of space at 825 Third Avenue, New York, NY 10022, pursuant to a lease that expires on April 29, 2019. Navios ShipManagement Inc. and Navios Corporation lease approximately 2,034 square meters of space at 85 Akti Miaouli, Piraeus, Greece, pursuant to a lease that expires in 2017. On July 1, 2010, Kleimar N.V. signed a new contract and currently leases approximately 632 square meters for its offices. Navios ShipManagement Inc. leases approximately 1,368 square meters of space at 85 Akti Miaouli, Piraeus, Greece, pursuant to a lease agreement that expires in 2019. On October 29, 2010, the existing lease agreement for its offices in Piraeus was amended and the Company leases, since November 2010, 253.75 less square meters. The amended lease expires in 2019. On October 29, 2010, Navios Tankers Management Inc. entered also into a lease agreement for 253.75 square meters which expires in 2019. Navios Logistics has several lease agreements with respect to its various operating offices. The table above incorporates the lease obligations of the offices indicated in this footnote.

Working Capital Position

On March 31, 2011, Navios Holdings' current assets totaled $317.2 million, while current liabilities totaled $205.4 million, resulting in a positive working capital position of $111.8 million. Navios Holdings' cash forecast indicates that it will generate sufficient cash during 2011 and 2012 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 2011 and 2012.

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

Capital Expenditures

Since 2007, the Company has entered into various agreements for the acquisition of newbuild Capesize vessels which were delivered on various dates from the beginning of 2009 until February 2011. As of March 31, 2011, the Company had taken delivery of a total of 16 Capesize vessels (the Navios Bonavis, the Navios Happiness, the Navios Pollux, the Navios Aurora II, the Navios Lumen, the Navios Phoenix, the Navios Stellar, the Navios Antares, the Navios Melodia, the Navios Fulvia, the Navios Buena Ventura, the Navios Bonheur, the Navios Etoile, the Navios Luz, the Navios Azimuth and the Navios Altamira) and two Ultra Handymax vessels (the Navios Celestial and the Navios Vega). The Company has no further newbuilding commitments as of March 31, 2011.

Dividend Policy

Currently, 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 Navios Holdings' current secured credit facilities and indentures 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 and indentures, the Board of Directors may from time to time consider the payment of dividends and on May 17, 2011, the Board of Directors declared a quarterly cash dividend of $0.06 per share of common stock, with respect to the first quarter of 2011, payable on July 7, 2011 to stockholders of record as of June 15, 2011. 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, and restrictions contained in its credit agreements and indentures 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, 2011 and for the year ended December 31, 2010, no customer accounted for more than 10% of the Company's 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. Future minimum rental payments under Navios Holdings' non-cancelable operating leases are included in the contractual obligations above. As of March 31, 2011, Navios Holdings was contingently liable for letters of guarantee and letters of credit amounting to $0.5 million issued by various banks in favor of various organizations and the total amount was collateralized by cash deposits which are included as a component of restricted cash. Navios Holdings issued no additional guarantees to third parties as of March 31, 2011 and 2010.

As of March 31, 2011, the Company's subsidiaries in South America were contingently liable for various claims and penalties to the local tax authorities amounting to $4.9 million ($4.7 million as of December 31, 2010). The respective provision for such contingencies was included in "Other long-term liabilities and deferred income". According to the acquisition agreement (see Note 1 to the condensed consolidated financial statements included elsewhere in this Form 6-K), if the Company becomes obligated to pay such amounts, the amounts involved will be reimbursed by the previous shareholders, and, as such, the Company has recognized a receivable (included in "Other long-term assets") against such liability, since the management considers collection of the receivable to be probable. The contingencies are expected to be resolved in the next four years. In the opinion of management, the ultimate disposition of these matters will not adversely affect the Company's financial position, results of operations or liquidity. On August 19, 2009, the Company issued a guarantee and indemnity letter that guarantees the performance by Petrolera San Antonio S.A. ("Petrosan") of all its obligations to Vitol S.A. ("Vitol") up to $4.0 million. On May 6, 2011, the guarantee amount was increased to $10.0 million. In addition, Petrosan agreed to pay Vitol immediately upon demand, any and all sums up to the referred limit, plus interest and costs, in relation to sales of gas oil under certain contracts between Vitol and Petrosan. This guarantee will expire on August 18, 2011.

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

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, both of which are Greek corporations that are currently majority owned by 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 to house the operations of most of the Company's subsidiaries. The total annual lease payments are €0.5 million (approximately $0.7 million) and the lease agreements expire in 2017. 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. entered into a lease agreement with Emerald Ktimatiki-Ikodomiki-Touristiki and Xenodohiaki Anonimos Eteria, both of which are Greek corporations that are currently majority owned by Angeliki Frangou, Navios Holdings' Chairman and Chief Executive Officer. The lease agreement initially provided for the leasing of one facility in Piraeus, Greece, of approximately 1,376.5 square meters to house part of the operations of the Company. On October 29, 2010, the existing lease agreement was amended and Navios ShipManagement Inc. leases 253.75 less square meters. The total annual lease payments are €0.4 million (approximately $0.5 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.

On October 29, 2010, Navios Tankers Management Inc. entered into a lease agreement with Emerald Ktimatiki-Ikodomiki-Touristiki and Xenodohiaki Anonimos Eteria, both of which are Greek corporations that are currently majority owned by Angeliki Frangou, Navios Holdings' Chairman and Chief Executive Officer. The lease agreement provides for the leasing of one facility in Piraeus, Greece, of approximately 253.75 square meters to house part of the operations of the Company. The total annual lease payments are €0.08 million (approximately $0.1 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"), a brokerage firm for freight and shipping charters as a broker. Navios Holdings has a 50% interest in Acropolis. Although Navios Holdings owns 50% of Acropolis' stock, Navios Holdings has agreed with the other shareholder that the earnings and amounts declared by way of dividends will be allocated 35% to the Company with the balance to the other shareholder. Commissions paid to Acropolis for the three month period ended March 31, 2011 and 2010 were $0 and $0.1 million, respectively. During the three month period ended March 31, 2011 and 2010, the Company received dividends of $0 and $0.6 million, respectively. Included in the trade accounts payable at March 31, 2011 and December 31, 2010 is an amount of $0.1 million and $0.1 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 fixed 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 initial term of the agreement is five years commencing from November 16, 2007. Total management fees for the periods ended March 31, 2011 and 2010, amounted to $6.0 million and $4.1 million, respectively. Since November 2009, Navios Holdings will receive $4,500 per owned Ultra Handymax vessel, $4,400 per owned Panamax vessel and $5,500 per owned Capesize vessel.

Pursuant to a management agreement dated May 28, 2010, as amended on September 10, 2010, for five years from the closing of Navios Acquisition's initial vessel acquisition Navios Holdings provides commercial and technical management services to Navios Acquisition's vessels for a daily fee of $6,000 per owned MR2 product tanker and chemical tanker vessel and $7,000 per owned LR1 product tanker vessel and $10,000 per owned VLCC vessel, for the first two years with the fixed daily fees adjusted for the remainder of the term based on then-current market fees. This daily fee covers all of the vessels' operating expenses, other than certain extraordinary fees and costs. During the remaining three years of the term of the Management Agreement, Navios Acquisition expects that it will reimburse Navios Holdings for all of the actual operating costs and expenses it incurs in connection with the management of its fleet. Actual operating costs and expenses will be determined in a manner consistent with how the initial $6,000 and $7,000 fixed fees were determined. Drydocking expenses will be fixed under this agreement for up to $300,000 per vessel and will be reimbursed at cost for VLCC vessels. Total management fees for the periods ended March 31, 2011 and 2010 amounted to $7.6 million and $0, respectively, which have been eliminated upon consolidation of Navios Acquisition through March 30, 2011.

General & 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 services. 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, 2011 and 2010 amounted to $0.8 million and $0.6 million, respectively.

On May 28, 2010, Navios Acquisition entered into an administrative services agreement, expiring May 28, 2015, with Navios Holdings, pursuant to which Navios Holdings provides office space and certain administrative management services to Navios Acquisition 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, 2011 and 2010 amounted to $0.3 million and $0, respectively, which have been eliminated upon consolidation of Navios Acquisition through March 30, 2011.

Balance due from affiliate: Balance due from affiliate as of March 31, 2011 amounted to $15.3 million (December 31, 2010: $2.6 million) which includes the current amounts due from Navios Partners of $6.9 million and amounts due from Navios Acquisition of $8.4 million. The balances mainly consist of management fees, administrative fees and other expenses.

Omnibus agreements: Navios Holdings entered into an omnibus agreement with Navios Partners (the "Partners Omnibus Agreement") in connection with the closing of Navios Partners' IPO governing, among other things, when Navios Holdings and Navios Partners may compete against each other as well as rights of first offer on certain drybulk carriers. Pursuant to the Partners Omnibus Agreement, Navios Partners generally agreed not to acquire or own Panamax or Capesize drybulk carriers under time charters of three or more years without the consent of an independent committee of Navios Partners. In addition, Navios Holdings agreed to offer to Navios Partners the opportunity to purchase vessels from Navios Holdings when such vessels are fixed under time charters of three or more years. The Partners Omnibus Agreement was amended in June 2009 to release Navios Holdings for two years from restrictions on acquiring Capesize and Panamax vessels from third parties.

Navios Acquisition entered into an omnibus agreement (the "Acquisition Omnibus Agreement") with Navios Holdings and Navios Partners in connection with the closing of Navios Acquisition's initial vessel acquisition pursuant to which, among other things, Navios Holdings and Navios Partners agreed not to acquire, charter-in or own liquid shipment vessels, except for container vessels and vessels that are primarily employed in operations in South America without the consent of an independent committee of Navios Acquisition. In addition, Navios Acquisition, under the Acquisition Omnibus Agreement, agreed to cause its subsidiaries not to acquire, own, operate or charter drybulk carriers subject to specific exceptions. Under the Acquisition Omnibus Agreement, Navios Acquisition and its subsidiaries granted to Navios Holdings and Navios Partners a right of first offer on any proposed sale, transfer or other disposition of any of its drybulk carriers and related charters owned or acquired by Navios Acquisition. Likewise, Navios Holdings and Navios Partners agreed to grant a similar right of first offer to Navios Acquisition for any liquid shipment vessels it might own. These rights of first offer will not apply to a (a) sale, transfer or other disposition of vessels between any affiliated subsidiaries, or pursuant to the terms of any charter or other agreement with a counterparty, or (b) merger with or into, or sale of substantially all of the assets to, an unaffiliated third party.

Sale of Vessels and Sale of Rights to Navios Partners: .Upon the sale of vessels to Navios Partners, Navios Holdings recognizes the gain immediately in earnings only to the extent of the interest in Navios Partners owned by third parties and defers recognition of the gain to the extent of its own ownership interest in Navios Partners (the "deferred gain"). Subsequently, the deferred gain is amortized to income over the remaining useful life of the vessel. The recognition of the deferred gain is accelerated in the event that (i) the vessel is subsequently sold or otherwise disposed of by Navios Partners or (ii) the Company's ownership interest in Navios Partners is reduced. In connection with the public offerings of common units by Navios Partners, a pro rata portion of the deferred gain is released to income upon dilution of the Company's ownership interest in Navios Partners. As of March 31, 2011 and December 31, 2010, the unamortized deferred gain for all vessels and rights sold totaled $36.4 million and $38.6 million, respectively, and for the three months ended March 31, 2011 and March 31, 2010, Navios Holdings recognized $2.2 million and $6.8 million, respectively, of the deferred gain in "Equity in net earnings of affiliated companies".

The deferred gain recognized in equity in earnings in connection with the public offerings of Navios Partners' common units relates to gains that initially arose from the sale of vessels by Navios Holdings to Navios Partners. Upon the sale of vessels to Navios Partners, Navios Holdings recognizes the gain immediately in earnings only to the extent of the interest in Navios Partners owned by third parties and defers recognition of the gain to the extent of its own ownership interest in Navios Partners (the "deferred gain"). Subsequently, the deferred gain is amortized to income over the remaining useful life of the vessel. The recognition of the deferred gain is accelerated in the event that (i) the vessel is subsequently sold or otherwise disposed of by Navios Partners or (ii) the Company's ownership interest in Navios Partners is reduced. In connection with above mentioned Navios Partners' public offerings, a pro rata portion of the deferred gain was released to income upon dilution of the Company's ownership interest in Navios Partners.

Purchase of Shares in Navios Acquisition: During 2010, Navios Holdings purchased 6,337,551 shares of Navios Acquisition's common stock for $63.2 million in open market purchases. Moreover, on May 28, 2010, certain shareholders of Navios Acquisition redeemed 10,021,399 shares pursuant to redemption rights granted in Navios Acquisition's IPO upon de-"SPAC"-ing. As of May 28, 2010, following these transactions, Navios Holdings owned 12,372,551 shares, or 57.3%, of the outstanding common stock of Navios Acquisition. At that date, Navios Holdings acquired control over Navios Acquisition, consequently concluded a business combination had occurred and consolidated the results of Navios Acquisition from that date onwards. As a result of gaining control, Navios Holdings recognized the effect of $17.7 million, which represents the fair value of the shares that exceed the carrying value of the Company's ownership of 12,372,551 shares of Navios Acquisition's common stock, in the statements of operations under "Gain on change in control". On November 19, 2010, following Navios Acquisition public offering of 6,500,000 shares of common stock at $5.50 per share, Navios Holdings' interest in Navios Acquisition decreased to 53.7%.

Pursuant to the Exchange Agreement signed on March 30, 2011, Navios Holdings completed the Navios Acquisition Share Exchange, whereby Navios Holdings exchanged 7,676,000 shares of Navios Acquisition's common stock it held for 1,000 non-voting Series C Convertible Preferred Stock of Navios Acquisition.

As of March 30, 2011 and onwards, following this transaction, Navios Holdings owned 18,331,551 shares or 45% of the outstanding voting stock of Navios Acquisition. As a result, from March 30, 2011, Navios Acquisition is considered as an affiliate entity of Navios Holdings and is not a controlled subsidiary of the Company, and the investment in Navios Acquisition is now accounted for under the equity method due to the Company's significant influence over Navios Acquisition. From March 30, 2011, Navios Acquisition is being accounted for under the equity method based on Navios Holdings' 53.7% economic interest since the preferred stock is considered in substance common stock for accounting purposes.

Acquisition of Eleven Product Tanker and Two Chemical Tanker Vessels: On April 8, 2010, pursuant to the terms and conditions of the Acquisition Agreement by and between Navios Acquisition and Navios Holdings, Navios Acquisition agreed to acquire 13 vessels (11 product tankers and two chemical tankers) plus options to purchase two additional product tankers, for an aggregate purchase price of $457.7 million (see Note 3 to the condensed consolidated financial statements appearing elsewhere in this Form 6-K).

Navios Acquisition Warrant Exercise Program: On September 2, 2010, Navios Acquisition announced the successful completion of its warrant program (the "Warrant Exercise Program"). Under the Warrant Exercise Program, holders of publicly traded warrants ("Public Warrants") had the opportunity to exercise the Public Warrants on enhanced terms through August 27, 2010. Navios Holdings exercised 13,635,000 private warrants for a total $77.0 million in cash. Navios Holdings currently holds no other warrants of Navios Acquisition.

The Navios Holdings Credit Facility: In connection with the VLCC Acquisition, Navios Acquisition entered into a $40.0 million credit facility with Navios Holdings. The $40.0 million facility has a margin of LIBOR plus 300 bps and a term of 18 months, maturing on April 1, 2012. Following the issuance of the Notes in October 2010, Navios Acquisition prepaid $27.6 million of this facility. Pursuant to an amendment in October 2010, the facility will be available for multiple drawings up to a limit of $40.0 million. As of March 31, 2011, the outstanding amount under this facility was $12.4 million.

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, 2011 and December 31, 2010, Navios Holdings had a total of $1,439.3 million and $2,082.1 million, respectively, in long-term indebtedness. The debt is dollar denominated and bears interest at a floating rate, except for the senior notes, the ship mortgage notes and certain Navios Logistics' loans discussed "Liquidity and Capital Resources" that bears interest at a fixed rate.

For a detailed discussion of 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 affect on their interest rate and related interest expense. The interest rate on the senior notes and the ship mortgage notes is fixed and, therefore, changes in interest rates affect their value, which as of March 31, 2011 was $789.5 million, but do not affect the related interest expense. Amounts drawn under the facilities and the ship mortgage notes are secured by the assets of Navios Holdings and its subsidiaries. A change in the LIBOR rate of 100 basis points would change interest expense for 2011 by $4.4 million.

For a detailed discussion of Navios Holdings' debt instruments, refer to section "Long-term Debt Obligations and Credit Arrangements" included elsewhere in this document.

Foreign Currency Risk

Foreign Currency: In general, the shipping industry is a U.S. dollar dominated industry. Revenue is set mainly in U.S. dollars, and approximately 73.7% of Navios Holdings' expenses are also incurred in U.S. 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, 2011 would increase or decrease net income by approximately $0.8 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," 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" in the stockholders' equity while the unrealized gains or losses of the FFAs not qualifying for hedge accounting together with the ineffective portion of those qualifying for hedge accounting are recorded in the statement of operations under "Loss on Forward

Freight Agreements." The gains included in "Accumulated Other Comprehensive Income" will be reclassified to earnings under "Revenue" in the statement of operations in the same period or periods during which the hedged forecasted transaction affects earnings. During the three month period ended March 31, 2011 and 2010, no amounts were included in "Accumulated Other Comprehensive Income" and reclassified to earnings.

At March 31, 2011 and December 31, 2010, none of the "mark to market" positions of the open dry bulk FFA contract qualified for hedge accounting treatment. Dry bulk FFAs traded by the Company that do not qualify for hedge accounting are shown at fair value in the balance sheet and changes in fair value are recorded in the statement of operations.

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 was no position deemed to be open as of March 31, 2011, any change in underlying freight market indices have had no effect on the net income.

Critical Accounting Policies

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

Critical accounting policies are those that reflect significant judgments or uncertainties, and potentially result in materially different results under different assumptions and conditions. Navios Holdings has described below what it believes are its most critical accounting policies that involve a high degree of judgment and the methods of their application. For a description of all of Navios Holdings' significant accounting policies, see Note 2 to the consolidated financial statements included in Navios Holdings' 2010 annual report on Form 20-F filed with the Securities and Exchange Commission and Note 2 to the condensed consolidated financial statements appearing elsewhere in this Form 6-K.

Use of Estimates: The preparation of consolidated financial statements in conformity with the 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 drybulk shipping FFAs as economic hedges relating to identifiable ship and/or cargo positions and as economic hedges of transactions the Company expects to carry out in the normal course of its shipping business. By utilizing certain derivative instruments, including drybulk shipping FFAs, the Company manages the financial risk associated with fluctuating market conditions. In entering into these contracts, the Company has assumed the risk that might arise from the possible inability of counterparties to meet the terms of their contracts.

The Company also trades drybulk shipping FFAs which are cleared through NOS ASA, a Norwegian clearing house and LCH, the London clearing house. NOS ASA and LCH call for both base and margin collaterals, which are funded by Navios Holdings, and which in turn substantially eliminate counterparty risk. Certain portions of these collateral funds may be restricted at any given time as determined by NOS ASA and LCH.

At the end of each calendar quarter, the fair value of drybulk 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 and LCH valuations accordingly.

The Company records all of its derivative financial instruments and hedges as economic hedges except for those qualifying for hedge accounting. Gains or losses of instruments qualifying for hedge accounting as cash flow hedges are reflected under "Accumulated Other Comprehensive Income" in stockholders' equity, while those instruments that do not meet the criteria for hedge accounting are reflected in the statements of operations. For FFAs that qualify for hedge accounting, the changes in fair values of the effective portion representing unrealized gain or losses are recorded under "Accumulated Other Comprehensive Income" in stockholders' equity while the unrealized gains or losses of the FFAs not qualifying for hedge accounting, together with the ineffective portion of those qualifying for hedge accounting are recorded in the statement of operations under "Loss on derivatives". The gains included in "Accumulated Other Comprehensive Income" are being reclassified to earnings under "Revenue" in the statements of operations in the same period or periods during which the hedged forecasted transaction affects earnings. During the three month period ended March 31, 2011 and 2010, no amounts were included in "Accumulated Other Comprehensive Income" and reclassified to earnings.

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

Stock-based Compensation: **:** On October 18, 2007 and December 16, 2008, the Compensation Committee of the Board of Directors authorized the issuance of restricted common stock, restricted stock units and stock options in accordance with the Company's stock option plan for its employees, officers and directors. The Company awarded shares of restricted common stock and restricted stock units to its employees, officers and directors and stock options to its officers and directors, based on service conditions only, which vest over two or three years and three years, respectively. On December 17, 2009 and December 16, 2010, the Company authorized the issuance of shares of restricted common stock, restricted stock units and stock options in accordance with the Company's stock option plan for its employees, officers and directors. The awards on December 17, 2009 and December 16, 2010 of restricted common stock and restricted stock units to its employees, officers and directors vest over three years.

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

Impairment of Long-lived Assets: Vessels, other fixed assets, other long lived assets and certain identifiable intangibles held and used by Navios Holdings are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable. In accordance with accounting for long-lived assets, management determines projected undiscounted cash flows for each asset and compares it to its carrying amount. In the event that projected undiscounted cash flows for an asset is less than its carrying amount, management reviews fair values and compares them to the asset's carrying amount. In the event that impairment occurs, an impairment charge is recognized by comparing the asset's carrying amount to its fair value. For the purposes of assessing impairment, long lived-assets are grouped at the lowest levels for which there are separately identifiable cash flows.

For the three month period ended March 31, 2011 and 2010, the management of Navios Holdings, after considering various indicators, including but not limited to the market price of its long-lived assets, its contracted revenues and cash flows and the economic outlook, concluded that no triggering event occurred on the long-lived assets of Navios Holdings.

Although management believes the underlying indicators supporting this assessment are reasonable, if charter rate trends and the length of the current market downturn continue, management may be required to perform impairment analysis in the future that could expose Navios Holdings to material impairment charges in the future.

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

Vessel, Port Terminal, Tanker Vessels, Barges, Push boats and Other Fixed Assets, net: Vessels, port terminal, tanker vessels, barges, push boats and other fixed assets acquired as parts of business combinations are recorded at fair value on the date of acquisition. Vessels acquired as asset acquisitions are stated at historical cost, which consists of the contract price and any material expenses incurred upon acquisition (improvements and delivery expenses). Subsequent expenditures for major improvements and upgrading are capitalized, provided they appreciably extend the life, increase the earnings capacity or improve the efficiency or safety of the vessels. The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss is included in the accompanying consolidated statements of operations.

Expenditures for routine maintenance and repairs are expensed as incurred.

Depreciation is computed using the straight line method over the useful life of the vessels, after considering the estimated residual value.

Annual depreciation rates used, which approximate the useful life of the assets, are:

Vessels	25 years
Port facilities and transfer station	3 to 40 years
Tanker vessels, barges and push boats	15 to 44 years
Furniture, fixtures and equipment	3 to 10 years
Computer equipment and software	5 years
Leasehold improvements	shorter of lease term or 6 years

Management estimates the residual values of the Company's vessels based on a scrap value of $285 per lightweight ton, as the Company believes this level is common in the shipping industry. Management estimates the useful life of its vessels to be 25 years from the vessel's original construction. However, when regulations place limitations over the ability of a vessel to trade on a worldwide basis, its useful life is re-estimated to end at the date such regulations become effective. An increase in the useful life of a vessel or in its residual value would have the effect of decreasing the annual depreciation charge and extending it into later periods. A decrease in the useful life of a vessel or in its residual value would have the effect of increasing the annual depreciation charge.

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

Goodwill and Other Intangibles:

(i) Goodwill: As required by the accounting guidance, goodwill acquired in a business combination initiated after June 30, 2001 is not to be amortized. Goodwill is tested for impairment at the reporting unit level at least annually and written down with a charge to operations if its carrying amount exceeds the estimated implied fair value.

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

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

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

(ii) Intangibles Other than Goodwill: Navios Holdings' intangible assets and liabilities consist of favorable lease terms, unfavorable lease terms, customer relationships, trade name, port terminal operating rights, backlog assets and liabilities.

The fair value of the trade name was determined based on the "relief from royalty" method which values the trade name based on the estimated amount that a company would have to pay in an arms-length transaction to use that trade name. The asset is being amortized under the straight line method over 32 years.

The fair value of customer relationships was determined based on the "excess earnings" method, which relies upon the future cash flow generating ability of the asset. The asset is amortized under the straight line method over 20 years.

Other intangibles that are being amortized, such as the amortizable portion of favorable leases, port terminal operating rights, and backlog assets and liabilities, would be considered impaired if their carrying value could not be recovered from the future undiscounted cash flows associated with the asset. Vessel purchase options, which are included in favorable lease terms, are not amortized and would be considered impaired if the carrying value of an option, when added to the option price of the vessel, exceeded the fair value of the vessel.

When intangible assets or liabilities associated with the acquisition of a vessel are identified, they are recorded at fair value. Fair value is determined by reference to market data and the discounted amount of expected future cash flows. Where charter rates are higher than market charter rates, an asset is recorded, being the difference between the acquired charter rate and the market charter rate for an equivalent vessel. Where charter rates are less than market charter rates, a liability is recorded, being the difference between the assumed charter rate and the market charter rate for an equivalent vessel. The determination of the fair value of acquired assets and assumed liabilities requires us to make significant assumptions and estimates of many variables including market charter rates, expected future charter rates, the level of utilization of our vessels and our weighted average cost of capital. The use of different assumptions could result in a material change in the fair value of these items, which could have a material impact on our financial position and results of operations.

The amortizable value of favorable and unfavorable leases is amortized over the remaining life of the lease term and the amortization expense is included in the statement of operations in the Depreciation and Amortization line item.

The amortizable value of favorable leases would be considered impaired if its fair market value could not be recovered from the future undiscounted cash flows associated with the asset. Vessel purchase options that have not been exercised, which are included in favorable lease terms, are not amortized and would be considered impaired if the carrying value of an option, when added to the option price of the vessel, exceeded the fair value of the vessel. As of March 31, 2011 there was no impairment of intangible assets.

Vessel purchase options, which are included in favorable leases, are not amortized and when the purchase option is exercised the asset will be capitalized as part of the cost of the vessel and will be depreciated over the remaining useful life of the vessel. Vessel purchase options which are included in unfavorable lease terms are not amortized and when the purchase option is exercised by the charterer and the underlying vessel is sold, it will be recorded as part of "gain/loss on sale of the assets". If the option is not exercised at the expiration date, it will be written-off to the statements of operations.

Investment in Available for Sale Securities: The Company classifies its existing marketable equity securities as available-for-sale. These securities are carried at fair value, with unrealized gains and losses excluded from earnings and reported directly in stockholders' equity as a component of other comprehensive income (loss) unless an unrealized loss is considered "other-than-temporary," in which case it is transferred to the statements of operations. Management evaluates securities for other than temporary impairment ("OTTI") on a quarterly basis. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the investee, and (3) the intent and ability of the Company to retain its investment in the investee for a period of time sufficient to allow for any anticipated recovery in fair value.

As of March 31, 2011 and December 31, 2010, the Company's unrealized holding gains related to these AFS Securities included in "Accumulated Other Comprehensive Income" were $37.1 million and $32.6 million, respectively. Based on the Company's OTTI analysis, management considers the decline in market valuation of these securities to be temporary. However, there is the potential for future impairment charges relative to these equity securities if their fair values do not recover and our OTTI analysis indicates such write downs are necessary.

Recent Accounting Pronouncements

Fair Value Disclosures

In January 2010, the Financial Accounting Standards Board ("FASB") issued amended standards requiring additional fair value disclosures. The amended standards require disclosures of transfers in and out of Levels 1 and 2 of the fair value hierarchy, as well as requiring gross basis disclosures for purchases, sales, issuances and settlements within the Level 3 reconciliation. Additionally, the update clarifies the requirement to determine the level of disaggregation for fair value measurement disclosures and to disclose valuation techniques and inputs used for both recurring and nonrecurring fair value measurements in either Level 2 or Level 3. Navios Holdings adopted the new guidance in the first quarter of fiscal year 2010, except for the disclosures related to purchases, sales, issuance and settlements within Level 3, which is effective for Navios Holdings beginning in the first quarter of fiscal year 2011. The adoption of the new standard did not have a significant impact on Navios Holdings' consolidated financial statements.

Fair value measurement

In May 2011, the Financial Accounting Standards Board ("FASB") issued amendments to achieve common fair value measurement and disclosure requirements. The new guidance (i) prohibits the grouping of financial instruments for purposes of determining their fair values when the unit of accounting is specified in another guidance, unless the exception provided for portfolios applies and is used; (ii) prohibits the application of a blockage factor in valuing financial instruments with quoted prices in active markets, and (iii) extends that prohibition to all fair value measurements. Premiums or discounts related to size as a characteristic of the entity's holding (that is, a blockage factor) instead of as a characteristic of the asset or liability (for example, a control premium), are not permitted. A fair value measurement that is not a Level 1 measurement may include premiums or discounts other than blockage factors when market participants would incorporate the premium or discount into the measurement at the level of the unit of accounting specified in another guidance. The new guidance aligns the fair value measurement of instruments classified within an entity's shareholders' equity with the guidance for liabilities. As a result, an entity should measure the fair value of its own equity instruments from the perspective of a market participant that holds the instruments as assets. The disclosure requirements have been enhanced. The most significant change will require entities, for their recurring Level 3 fair value measurements, to disclose quantitative information about unobservable inputs used and to include a description of the valuation processes used by the entity, and a qualitative discussion about the sensitivity of the measurements. In addition, entities must report the level in the fair value hierarchy of assets and liabilities not recorded at fair value but where fair value is disclosed. The new guidance is effective for interim and annual periods beginning on or after December 15, 2011, with early adoption prohibited. The new guidance will require prospective application. The adoption of the new standard is not expected to have have a significant impact on Navios Holdings' consolidated financial statements.

NAVIOS MARITIME HOLDINGS INC.

Index

NAVIOS MARITIME HOLDINGS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of U.S. dollars — except share data)

	Note	March 31, 2011 (unaudited)	December 31, 2010
ASSETS			
Current assets			
Cash and cash equivalents	4	$ 180,160	$ 207,410
Restricted cash		19,173	34,790
Accounts receivable, net		71,703	70,388
Short-term derivative asset	8	1,307	1,420
Due from affiliate companies		15,327	2,603
Prepaid expenses and other current assets		29,515	33,354
Total current assets		**317,185**	**349,965**
Deposits for vessel acquisitions		—	377,524
Vessels, port terminal and other fixed assets, net	5	1,835,762	2,249,677
Long-term derivative assets	8	—	149
Restricted cash		—	18,787
Other long-term assets		58,869	60,132
Long-term asset due from affiliate	11	12,391	—
Investments in affiliates	3,14	120,643	18,695
Investments in available for sale securities		103,561	99,078
Intangible assets other than goodwill	6	261,204	327,703
Goodwill		160,336	175,057
Total non-current assets		**2,552,766**	**3,326,802**
Total assets		**$ 2,869,951**	**$ 3,676,767**
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable		$ 41,972	$ 49,496
Dividends payable		6,100	7,214
Accrued expenses		69,951	62,417
Deferred income and cash received in advance	11	22,458	17,682
Short-term derivative liability	8	241	245
Current portion of capital lease obligations		1,267	1,252
Current portion of long-term debt	7	63,407	63,297
Total current liabilities		**205,396**	**201,603**
Senior and ship mortgage notes, net of discount	7	745,122	1,093,787
Long-term debt, net of current portion	7	625,950	918,826
Capital lease obligations, net of current portion		30,692	31,009
Unfavorable lease terms	6	49,552	56,875
Long-term derivative liability	8	118	—
Other long-term liabilities and deferred income	11	39,480	36,020
Deferred tax liability		19,944	21,104
Total non-current liabilities		**1,510,858**	**2,157,621**
Total liabilities		**1,716,254**	**2,359,224**
Commitments and contingencies	10	—	—
Stockholders' equity			
Preferred stock — $0.0001 par value, authorized 1,000,000 shares, 8,479 and 8,479 issued and outstanding as of March 31, 2011 and December 31, 2010, respectively.		—	—
Common stock — $0.0001 par value, authorized 250,000,000 shares, issued and outstanding 101,671,343 and 101,563,766 as of March 31, 2011 and December 31, 2010, respectively.	9	10	10
Additional paid-in capital	9	532,643	531,265
Accumulated other comprehensive income		37,107	32,624
Retained earnings		451,021	495,684
Total Navios Holdings' stockholders' equity		**1,020,781**	**1,059,583**
Noncontrolling interest		132,916	257,960
Total stockholders'equity		**1,153,697**	**1,317,543**
Total liabilities and stockholders' equity		**$ 2,869,951**	**$ 3,676,767**

See unaudited notes to condensed consolidated financial statements

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

	Note	Three Month Period Ended March 31, 2011 (unaudited)	Three Month Period Ended March 31, 2010 (unaudited)
Revenue	12	$ 181,772	$ 154,369
Time charter, voyage and logistics business expenses		(59,114)	(76,501)
Direct vessel expenses		(34,018)	(20,044)
General and administrative expenses		(12,774)	(12,193)
Depreciation and amortization	5,6	(33,321)	(24,941)
Interest income/expense and finance cost, net		(29,437)	(21,409)
Loss on derivatives	8	(385)	(1,838)
Gain on sale of assets	5	—	24,383
Loss on change in control	3	(35,325)	—
Loss on bond extinguishment	7	(21,199)	—
Other expense, net		(975)	(3,799)
(Loss)/income before equity in net earnings of affiliate companies		**(44,776)**	**18,027**
Equity in net earnings of affiliated companies	11	7,015	11,584
(Loss)/income before taxes		**$ (37,761)**	**$ 29,611**
Income taxes		904	768
Net (loss)/income		**(36,857)**	**30,379**
Less: Net loss/(income) attributable to the noncontrolling interest		(1,273)	922
Preferred stock dividends of subsidiary		(27)	—
Add: Preferred stock dividends attributable to the noncontrolling interest		12	—
Net (loss)/income attributable to Navios Holdings common stockholders		**$ (38,145)**	**$ 31,301**
Basic (loss)/earnings per share attributable to Navios Holdings common stockholders		**$ (0.38)**	**$ 0.31**
Weighted average number of shares, basic	13	**100,852,517**	**100,425,549**
Diluted (loss)/earnings per share attributable to Navios Holdings common stockholders		**$ (0.38)**	**$ 0.27**
Weighted average number of shares, diluted	13	**100,852,517**	**114,076,034**

See unaudited notes to condensed consolidated financial statements.

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

	Note	Three Month Period ended March 31, 2011 (unaudited)	Three Month Period ended March 31, 2010 (unaudited)
OPERATING ACTIVITIES:			
Net (loss)/income		$ (36,857)	$ 30,379
Adjustments to reconcile net (loss)/income to net cash provided by operating activities:			
Non cash adjustments		78,318	11,073
Increase in operating assets		(11,026)	(10,819)
Increase/(decrease) in operating liabilities		28,374	(4,938)
Payments for drydock and special survey costs		(3,876)	(1,663)
Net cash provided by operating activities		**54,933**	**24,032**
INVESTING ACTIVITIES:			
Acquisition of vessels	5	(56,059)	—
Decrease in cash balance from Navios Acquisition on date of deconsolidation	3	(72,425)	—
Proceeds from sale of assets	5	—	153,000
Decrease/(increase) in restricted cash		778	(26,641)
Deposits for vessel acquisitions	5	(2,995)	(64,736)
Receipts from finance lease		—	142
Purchase of property and equipment	5	(2,865)	(3,029)
Net cash (used in)/provided by investing activities		**(133,566)**	**58,736**
FINANCING ACTIVITIES:			
Proceeds from long-term loan, net of deferred finance fees		35,747	41,428
Repayment of long-term debt	7	(317,245)	(78,581)
Proceeds from issuance of Senior Notes, net of deferred fees	7	340,981	—
Dividends paid		(7,659)	(7,034)
Dividends to noncontrolling shareholders		—	(469)
Issuance of common stock		368	—
Payments of obligations under capital leases		(302)	—
Increase in restricted cash		(507)	(1,125)
Net cash provided by/(used in) financing activities		**51,383**	**(45,781)**
(Decrease)/increase in cash and cash equivalents		**(27,250)**	**36,987**
Cash and cash equivalents, beginning of period		**207,410**	**173,933**
Cash and cash equivalents, end of period		**$ 180,160**	**$ 210,920**
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid for interest		$ 11,457	$ 8,453
Cash paid for income taxes		$ —	$ 359
Equity in net earnings of affiliated companies		$ 7,015	$ 11,584

Non-cash investing and financing activities

- See Notes 5 and 9 for issuance of Preferred Stock and Common Stock in connection with the acquisition of vessels.
- See Note 7 for debt assumed in connection with acquisitions of businesses
- See Note 14 for investments in available for sale securities.

See unaudited notes to condensed consolidated financial statements.

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

	Number of Preferred Shares	Preferred Stock	Number of Common Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Navios Holdings' Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance December 31, 2009	**8,201**	**$ —**	**100,874,199**	**$ 10**	**533,729**	**$ 376,585**	**$ 15,156**	**$ 925,480**	**$ 135,270**	**1,060,750**
Net income/(loss)	—					31,301		31,301	(922)	30,379
Other comprehensive income/(loss):										
- Unrealized holding gains on investments in available-for-sale securities	—	—	—	—	—	—	8,968	8,968	—	8,968
Total comprehensive income/(loss)								40,269	(922)	39,347
Contribution to noncontrolling shareholders									(543)	(543)
Issuance of Preferred Stock (Note 9)	2,080	—	—	—	12,201	—	—	12,201	—	12,201
Stock based compensation expenses (Note 9)	—	—	15,452	—	610	—	—	610	—	610
Dividends declared/paid	—	—	—	—	—	(6,497)	—	(6,497)	—	(6,497)
Balance March 31, 2010 (unaudited)	**10,281**	**$ —**	**100,889,651**	**$ 10**	**$ 546,540**	**$ 401,389**	**$ 24,124**	**$ 972,063**	**$ 133,805**	**$ 1,105,868**
Balance December 31, 2010	**8,479**	**$ —**	**101,563,766**	**$ 10**	**$ 531,265**	**$ 495,684**	**$ 32,624**	**$ 1,059,583**	**$ 257,960**	**$ 1,317,543**
Net (loss)/income	—	—	—	—	—	(38,145)	—	(38,145)	1,273	(36,872)
Other comprehensive income/(loss):										
- Unrealized holding gains on investments in available-for-sale securities	—	—	—	—	—	—	4,483	4,483	—	4,483
Total comprehensive loss	—	—	—	—	—	—	—	(33,662)	1,273	(32,374)
Stock based compensation expenses (Note 9)	—	—	107,577	—	1,378	—	—	1,378	—	1,378
Dividends paid by subsidiary to noncontrolling shareholders on common stock and preferred stock	—	—	—	—	—	—	—	—	(1,148)	(1,148)
Preferred stock dividends of subsidiary attributable to the noncontrolling interest	—	—	—	—	—	—	—	—	15	15
Navios Acquisition deconsolidation (Note 3)	—	—	—	—	—	—	—	—	(125,184)	(125,184)
Dividends declared/paid	—	—	—	—	—	(6,518)	—	(6,518)	—	(6,518)
Balance March 31, 2011 (unaudited)	**8,479**	**$ —**	**101,671,343**	**$ 10**	**$ 532,643**	**$ 451,021**	**$ 37,107**	**$ 1,020,781**	**$ 132,916**	**$ 1,153,697**

See unaudited notes to condensed consolidated financial statements.

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

NOTE 1 — DESCRIPTION OF BUSINESS

On August 25, 2005, pursuant to a Stock Purchase Agreement dated February 28, 2005, as amended, by and among International Shipping Enterprises, Inc. ("ISE"), Navios Maritime Holdings Inc. ("Navios Holdings" or the "Company") and all the shareholders of Navios Holdings, ISE acquired Navios Holdings through the purchase of all of the outstanding shares of common stock of Navios Holdings. As a result of this acquisition, Navios Holdings became a wholly owned subsidiary of ISE. In addition, on August 25, 2005, simultaneously with the acquisition of Navios Holdings, ISE effected a reincorporation from the State of Delaware to the Republic of the Marshall Islands through a downstream merger with and into its newly acquired wholly owned subsidiary, whose name was and continues to be Navios Maritime Holdings Inc.

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.

Navios Logistics

On January 1, 2008, pursuant to a share purchase agreement, Navios Holdings contributed (i) $112,200 in cash and (ii) the authorized capital stock of its wholly owned subsidiary Corporacion Navios Sociedad Anonima ("CNSA") in exchange for the issuance and delivery of 12,765 shares of Navios South American Logistics Inc. ("Navios Logistics"), representing 63.8% (or 67.2% excluding contingent consideration) of its outstanding stock. Navios Logistics acquired all ownership interests in the Horamar Group ("Horamar") in exchange for (i) $112,200 in cash, of which $5,000 was initially kept in escrow and payable upon the attainment of certain EBITDA targets during specified periods through December 2008 (the "EBITDA Adjustment") and (ii) the issuance of 7,235 shares of Navios Logistics representing 36.2% (or 32.8% excluding contingent consideration) of Navios Logistics' outstanding stock, of which 1,007 shares were initially kept in escrow pending attainment of certain EBITDA targets. In November 2008, $2,500 in cash and 503 shares were released from escrow when Horamar achieved the interim EBITDA target. As a result, Navios Holdings owned 65.5% (excluding 504 shares that remained in escrow as of such November 2008 date) of Navios Logistics.

On March 20, 2009, August 19, 2009, and December 30, 2009, the agreement pursuant to which Navios Logistics acquired CNSA and Horamar was amended to postpone until June 30, 2010 the date for determining whether the EBITDA target was achieved. On June 17, 2010, $2,500 in cash and the 504 shares remaining in escrow were released from escrow upon the achievement of the EBITDA target threshold. Following the release of the remaining shares that were held in escrow, Navios Holdings currently owns 63.8% of Navios Logistics.

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

Navios Acquisition

On July 1, 2008, the Company completed the initial public offering, or the IPO, of its subsidiary, Navios Maritime Acquisition Corporation ("Navios Acquisition") (NYSE: NNA). At the time of the IPO, Navios Acquisition was a blank check company. In the offering, Navios Acquisition sold 25,300,000 units for an aggregate purchase price of $253,000. Each unit consisted of one share of Navios Acquisition's common stock and one warrant. Navios Acquisition, at the time, was not a controlled subsidiary of the Company but was accounted for under the equity method due to the Company's significant influence over Navios Acquisition.

On May 25, 2010, after its special meeting of stockholders, Navios Acquisition announced the approval of (a) the acquisition from Navios Holdings of 13 vessels (11 product tankers and two chemical tankers) plus options to purchase two additional product tankers (the "Initial Acquisition") for an aggregate purchase price of $457,659, of which $128,659 was paid from existing cash and the $329,000 balance was paid with existing and new debt financing pursuant to the terms and conditions of the Acquisition Agreement by and between Navios Acquisition and Navios Holdings and (b) certain amendments to Navios Acquisition's amended and restated articles of incorporation.

Navios Holdings has purchased 6,337,551 shares of Navios Acquisition's common stock for $63,230 in open market purchases. Moreover, on May 28, 2010, certain shareholders of Navios Acquisition redeemed 10,021,399 shares pursuant to redemption rights granted in the IPO upon de-"SPAC"-ing. As of May 28, 2010, following these transactions, Navios Holdings owned 12,372,551 shares, or 57.3%, of the outstanding common stock of Navios Acquisition. On that date, Navios Holdings acquired control over Navios Acquisition, and consequently concluded a business combination had occurred and consolidated the results of Navios Acquisition from that date until March 30, 2011.

Navios Holdings exchanged 7,676,000 shares of Navios Acquisition common stock it held for 1,000 shares of non-voting Series C preferred stock of Navios Acquisition pursuant to an Exchange Agreement entered into on March 30, 2011 between Navios Acquisition and Navios Holdings ("Navios Acquisition Share Exchange"). The fair value of the exchange was $30,474. Following the Navios Acquisition Share Exchange, Navios Holdings has 45% of the voting power and 53.7% of the economic interest in Navios Acquisition. As a result, from March 30, 2011, Navios Acquisition is considered an affiliate entity and is not a controlled subsidiary of the Company, and the investment in Navios Acquisition is accounted for under the equity method due to Navios Holdings' significant influence over Navios Acquisition. From March 30, 2011, Navios Acquisition is being accounted for under the equity method based on Navios Holdings' 53.7% economic interest since the preferred stock is considered, in substance common stock for accounting purposes.

Navios Acquisition is an owner and operator of tanker vessels focusing in the transportation of petroleum products (clean and dirty) and bulk liquid chemicals.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of presentation: The accompanying interim condensed consolidated financial statements are unaudited, but, in the opinion of management, reflect all adjustments for a fair presentation of Navios Holdings' consolidated financial positions, statement of stockholders' equity, statements of operations and cash flows for the periods presented. Adjustments consist of normal, recurring entries. The results of operations for the interim periods are not necessarily indicative of results for the full year. The footnotes are condensed as permitted by the requirements for interim financial statements and accordingly, do not include information and disclosures required under United States generally accepted accounting principles ("GAAP") for complete financial statements. The December 31, 2010 balance sheet data was derived from audited financial statements, but do not include all disclosures required by U.S. GAAP. These interim financial statements should be read in conjunction with the Company's consolidated financial statements and notes included in Navios Holdings' 2010 annual report filed on Form 20-F with the Securities and Exchange Commission ("SEC").

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

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

Investments in Affiliates and Joint Ventures: Affiliates are entities over which the Company generally has between 20% and 50% of the voting rights, or over which the Company has significant influence, but does not exercise control. Joint ventures are entities over which neither partner exercises full control. Investments in these entities are accounted for under the equity method of accounting. Under this method the Company records an investment in the stock of an affiliate or joint venture at cost, and adjusts the carrying amount for its share of the earnings or losses of the affiliate or joint venture subsequent to the date of investment and reports the recognized earnings or losses in income. Dividends received from an affiliate or joint ventures reduce the carrying amount of the investment. When the Company's share of losses in an affiliate or joint venture equals or exceeds its interest in the affiliate, the Company does not recognize further losses, unless the Company has incurred obligations or made payments on behalf of the affiliate or the joint venture.

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

Entities included in the consolidation:

Company Name	Nature / Vessel Name	Effective Ownership Interest	Country of Incorporation	Statement of operations 2011	Statement of operations 2010
Navios Maritime Holdings Inc.	Holding Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Navios Corporation	Sub-Holding Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Navios International Inc.	Operating Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Navimax Corporation	Operating Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Navios Handybulk Inc.	Operating Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Hestia Shipping Ltd.	Operating Company	100%	Malta	1/1 — 3/31	1/1 — 3/31
Anemos Maritime Holdings Inc.	Sub-Holding Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Navios ShipManagement Inc.	Management Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
NAV Holdings Limited	Sub-Holding Company	100%	Malta	1/1 — 3/31	1/1 — 3/31
Kleimar N.V.	Operating Company/Vessel Owning Company	100%	Belgium	1/1 — 3/31	1/1 — 3/31
Kleimar Ltd.	Operating Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Bulkinvest S.A.	Operating Company	100%	Luxembourg	1/1 — 3/31	1/1 — 3/31
Primavera Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Ginger Services Co.	Operating Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Aquis Marine Corp.	Sub-Holding Company	100%	Marshall Is.	1/1 — 3/31	3/23 — 3/31
Navios Tankers Management Inc.	Management Company	100%	Marshall Is.	1/1 — 3/31	3/24 — 3/31
Navios Maritime Acquisition Corporation (1)	Sub-Holding Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Astra Maritime Corporation	Operating Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Achilles Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Apollon Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Herakles Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Hios Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Ionian Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Kypros Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Meridian Shipping Enterprises Inc.	Vessel Owning Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Mercator Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Arc Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Horizon Shipping Enterprises Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Magellan Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Aegean Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Star Maritime Enterprises Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Corsair Shipping Ltd.	Vessel Owning Company	100%	Marshall Is	1/1 — 3/31	1/1 — 3/31
Rowboat Marine Inc.	Vessel Owning Company	100%	Marshall Is	1/1 — 3/31	1/1 — 3/31
Hyperion Enterprises Inc.	Vessel Owning Company	100%	Marshall Is.	—	1/1 — 1/7
Beaufiks Shipping Corporation	Vessel Owning Company	100%	Marshall Is	1/1 — 3/31	1/1 — 3/31
Nostos Shipmanagement Corp.	Vessel Owning Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Aegean Sea Maritime Holdings Inc.	Sub-Holding Company	100%	Marshall Is.	—	3/18 — 3/31
Amorgos Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	—	3/18 — 3/31
Andros Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	—	3/18 — 3/31
Antiparos Shipping Corporation (2)	Vessel Owning Company	100%	Marshall Is.	—	3/18 — 3/31

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

Company Name	Nature / Vessel Name	Effective Ownership Interest	Country of Incorporation	Statement of operations 2011	Statement of operations 2010
Ikaria Shipping Corporation (2)	Vessel Owning Company	100%	Marshall Is.	—	3/18 — 3/31
Kos Shipping Corporation (2)	Vessel Owning Company	100%	Marshall Is.	—	3/18 — 3/31
Mytilene Shipping Corporation (2)	Vessel Owning Company	100%	Marshall Is.	—	3/18 — 3/31
Skiathos Shipping Corporation (2)	Vessel Owning Company	100%	Marshall Is.	—	3/18 — 3/31
Syros Shipping Corporation (2)	Vessel Owning Company	100%	Marshall Is.	—	3/18 — 3/31
Skopelos Shipping Corporation	Vessel Owning Company	100%	Cayman Is.	—	3/18 — 3/31
Sifnos Shipping Corporation (2)	Vessel Owning Company	100%	Marshall Is.	—	3/18 — 3/31
Ios Shipping Corporation	Vessel Owning Company	100%	Cayman Is.	—	3/18 — 3/31
Thera Shipping Corporation (2)	Vessel Owning Company	100%	Marshall Is.	—	3/18 — 3/31
Crete Shipping Corporation (2)	Vessel Owning Company	100%	Marshall Is.	—	3/18 — 3/31
Rhodes Shipping Corporation (2)	Vessel Owning Company	100%	Marshall Is.	—	3/18 — 3/31
Tinos Shipping Corporation (2)	Vessel Owning Company	100%	Marshall Is.	—	3/18 — 3/31
Portorosa Marine Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Shikhar Ventures S.A	Vessel Owning Company	100%	Liberia	1/1 — 3/31	1/1 — 3/31
Sizzling Ventures Inc.	Operating Company	100%	Liberia	1/1 — 3/31	1/1 — 3/31
Rheia Associates Co.	Operating Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Taharqa Spirit Corp.	Operating Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Rumer Holding Ltd.	Vessel Owning Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Chilali Corp.	Vessel Owning Company	100%	Marshall Is.	—	1/1 — 3/17
Pharos Navigation S.A.	Vessel Owning Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Pueblo Holdings Ltd.	Vessel Owning Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Surf Maritime Co.	Vessel Owning Company	100%	Marshall Is.	—	1/1 — 3/31
Quena Shipmanagement Inc.	Operating Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Orbiter Shipping Corp.	Vessel Owning Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Aramis Navigation	Vessel Owning Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
White Narcissus Marine S.A.	Vessel Owning Company	100%	Panama	1/1 — 3/31	1/1 — 3/31
Navios G.P. L.L.C.	Operating Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Pandora Marine Inc.	Vessel Owning Company	100%	Marshall Is.	—	1/1 — 3/31
Floral Marine Ltd.	Vessel Owning Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Red Rose Shipping Corp.	Vessel Owning Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Customized Development S.A.	Vessel Owning Company	100%	Liberia	—	1/1 — 3/31

Highbird Management Inc.	Vessel Owning Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Ducale Marine Inc.	Vessel Owning Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Kohylia Shipmanagement S.A.	Vessel Owning Company	100%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Vector Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 — 3/31	2/16 — 3/31
Faith Marine Ltd.	Vessel Owning Company	100%	Liberia	1/1 — 3/31	1/1 — 3/31
Navios Maritime Finance (US) Inc.	Operating Company	100%	Delaware	1/1 — 3/31	1/1 — 3/31
Navios Maritime Finance II (US) Inc.	Operating Company	100%	Delaware	1/12 — 3/31	—

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

Company Name	Nature / Vessel Name	Effective Ownership Interest	Country of Incorporation	Statement of operations 2011	Statement of operations 2010
Navios Maritime Acquisition Corporation and Subsidiaries(1)**:**					
Navios Maritime Acquisition Corporation	Sub-Holding Company	53.7%	Marshall Is.	1/1 — 3/30	—
Aegean Sea Maritime Holdings Inc.	Sub-Holding Company	53.7%	Marshall Is.	1/1 — 3/30	—
Amorgos Shipping Corporation	Vessel Owning Company	53.7%	Marshall Is.	1/1 — 3/30	—
Andros Shipping Corporation (2)	Vessel Owning Company	53.7%	Marshall Is.	1/1 — 3/30	—
Antiparos Shipping Corporation (2)	Vessel Owning Company	53.7%	Marshall Is.	1/1 — 3/30	—
Ikaria Shipping Corporation (2)	Vessel Owning Company	53.7%	Marshall Is.	1/1 — 3/30	—
Kos Shipping Corporation (2)	Vessel Owning Company	53.7%	Marshall Is.	1/1 — 3/30	—
Mytilene Shipping Corporation (2)	Vessel Owning Company	53.7%	Marshall Is.	1/1 — 3/30	—
Skiathos Shipping Corporation (2)	Vessel Owning Company	53.7%	Marshall Is.	1/1 — 3/30	—
Syros Shipping Corporation (2)	Vessel Owning Company	53.7%	Marshall Is.	1/1 — 3/30	—
Skopelos Shipping Corporation	Vessel Owning Company	53.7%	Cayman Is.	1/1 — 3/30	—
Sifnos Shipping Corporation (2)	Vessel Owning Company	53.7%	Marshall Is.	1/1 — 3/30	—
Ios Shipping Corporation	Vessel Owning Company	53.7%	Cayman Is.	1/1 — 3/30	—
Thera Shipping Corporation (2)	Vessel Owning Company	53.7%	Marshall Is.	1/1 — 3/30	—
Shinyo Dream Limited	Vessel Owning Company	53.7%	Hong Kong	1/1 — 3/30	—
Shinyo Kannika Limited	Vessel Owning Company	53.7%	Hong Kong	1/1 — 3/30	—
Shinyo Kieran Limited (2)	Vessel Owning Company	53.7%	British Virgin Is.	1/1 — 3/30	—
Shinyo Loyalty Limited	Vessel Owning Company	53.7%	Hong Kong	1/1 — 3/30	—
Shinyo Navigator Limited	Vessel Owning Company	53.7%	Hong Kong	1/1 — 3/30	—
Shinyo Ocean Limited	Vessel Owning Company	53.7%	Hong Kong	1/1 — 3/30	—
Shinyo Saowalak Limited	Vessel Owning Company	53.7%	British Virgin Is.	1/1 — 3/30	—
Crete Shipping Corporation (2)	Vessel Owning Company	53.7%	Marshall Is.	1/1 — 3/30	—
Rhodes Shipping Corporation (2)	Vessel Owning Company	53.7%	Marshall Is.	1/1 — 3/30	—
Tinos Shipping Corporation (2)	Vessel Owning Company	53.7%	Marshall Is.	1/1 — 3/30	—
Folegandros Shipping Corporation (2)	Vessel Owning Company	53.7%	Marshall Is.	1/1 — 3/30	—
Navios Acquisition Finance (US) Inc	Operating Company	53.7%	Delaware	1/1 — 3/30	—
Serifos Shipping Corporation (2)	Vessel Owning Company	53.7%	Marshall Is.	1/1 — 3/30	—

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

Company Name	Nature / Vessel Name	Effective Ownership Interest	Country of Incorporation	Statement of operations 2011	Statement of operations 2010
Navios South American Logistics and Subsidiaries:					
Navios South American Logistics Inc.	Sub-Holding Company	63.8%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Corporacion Navios S.A.	Operating Company	63.8%	Uruguay	1/1 — 3/31	1/1 — 3/31
Nauticler S.A.	Sub-Holding Company	63.8%	Uruguay	1/1 — 3/31	1/1 — 3/31
Compania Naviera Horamar S.A.	Vessel Operating Company/Management Company	63.8%	Argentina	1/1 — 3/31	1/1 — 3/31
Compania de Transporte Fluvial Int S.A.	Sub-Holding Company	63.8%	Uruguay	1/1 — 3/31	1/1 — 3/31
Ponte Rio S.A.	Operating Company	63.8%	Uruguay	1/1 — 3/31	1/1 — 3/31
Thalassa Energy S.A.	Barge Owning Company	39.9%	Argentina	1/1 — 3/31	1/1 — 3/31
HS Tankers Inc.	Vessel Owning Company	32.5%	Panama	1/1 — 3/31	1/1 — 3/31
HS Navegation Inc.	Vessel Owning Company	32.5%	Panama	1/1 — 3/31	1/1 — 3/31
HS Shipping Ltd Inc.	Vessel Owning Company	39.9%	Panama	1/1 — 3/31	1/1 — 3/31
HS South Inc.	Vessel Owning Company	39.9%	Panama	1/1 — 3/31	1/1 — 3/31
Petrovia Internacional S.A.	Land-Owning Company	63.8%	Uruguay	1/1 — 3/31	1/1 — 3/31
Mercopar S.A.	Operating/Barge Owning Company	63.8%	Paraguay	1/1 — 3/31	1/1 — 3/31
Navegacion Guarani S.A.	Operating Barge and Pushboat Owning Company	63.8%	Paraguay	1/1 — 3/31	1/1 — 3/31
Hidrovia OSR S.A.	Oil Spill Response & Salvage Services/Vessel Owning Company	63.8%	Paraguay	1/1 — 3/31	1/1 — 3/31
Mercofluvial S.A.	Operating Barge and Pushboat Owning Company	63.8%	Paraguay	1/1 — 3/31	1/1 — 3/31
Petrolera San Antonio S.A. (PETROSAN)	Port Facility Operating Company	63.8%	Paraguay	1/1 — 3/31	1/1 — 3/31
Stability Oceanways S.A.	Operating Barge and Pushboat Owning Company	63.8%	Panama	1/1 — 3/31	1/1 — 3/31
Hidronave S.A.	Pushboat Owning Company	32.5%	Brazil	1/1 — 3/31	1/1 — 3/31
Navarra Shipping Corporation	Operating Company	63.8%	Marshall Is.	1/1 — 3/31	—
Pelayo Shipping Corporation	Operating Company	63.8%	Marshall Is.	1/1 — 3/31	—

(1) As of March 30, 2011, following the Navios Acquisition Share Exchange, Navios Holdings' ownership of the voting stock of Navios Acquisition decreased to 45% and Navios Holdings no longer controls a majority of the voting power of Navios Acquisition. As a result, as of March 30, 2011, Navios Acquisition is no longer consolidated and is accounted for under the equity method of accounting based on Navios Holdings' 53.7% economic interest in Navios Acquisition since the preferred stock is considered in substance common stock for accounting purposes (Note 3).

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

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

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

Company Name	Nature / Vessel Name	Ownership Interest	Country of Incorporation	Statement of operations 2011	Statement of operations 2010
Navios Maritime Partners L.P. (*)	Sub-Holding Company	18.76%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Navios Maritime Operating L.L.C. (*)	Operating Company	18.76%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Libra Shipping Enterprises Corporation (*)	Vessel Owning Company	18.76%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Alegria Shipping Corporation (*)	Vessel Owning Company	18.76%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Felicity Shipping Corporation (*)	Vessel Owning Company	18.76%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Gemini Shipping Corporation (*)	Vessel Owning Company	18.76%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Galaxy Shipping Corporation (*)	Vessel Owning Company	18.76%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Prosperity Shipping Corporation (*)	Vessel Owning Company	18.76%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Fantastiks Shipping Corporation (*)	Vessel Owning Company	18.76%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Aldebaran Shipping Corporation (*)	Vessel Owning Company	18.76%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Aurora Shipping Enterprises Ltd. (*)	Vessel Owning Company	18.76%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Sagittarius Shipping Corporation (*)	Vessel Owning Company	18.76%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Palermo Shipping S.A. (*)	Vessel Owning Company	18.76%	Marshall Is.	1/1 — 3/31	1/1 — 3/31
Customized Development S.A. (*)	Vessel Owning Company	18.76%	Liberia	1/1 — 3/31	—
Pandora Marine Inc. (*)	Vessel Owning Company	18.76%	Marshall Is.	1/1 — 3/31	—
Hyperion Enterprises Inc. (*)	Vessel Owning Company	18.76%	Marshall Is.	1/1 — 3/31	1/8 — 3/31
Chilali Corp. (*)	Vessel Owning Company	18.76%	Marshall Is.	1/1 — 3/31	3/18 — 3/31
JTC Shipping Trading Ltd. (*)	Operating Company	18.76%	Malta	1/1 — 3/31	3/18 — 3/31
Surf Maritime Co. (*)	Vessel Owning Company	18.76%	Marshall Is.	1/1 — 3/31	—
Acropolis Chartering & Shipping Inc.	Brokerage Company	50%	Liberia	1/1 — 3/31	1/1 — 3/31
Navios Maritime Acquisition Corporation (***)	Sub-Holding Company	53.7%	Marshall Is.	3/30 — 3/31	1/1 — 3/31
Aegean Sea Maritime Holdings Inc. (***)	Sub-Holding Company	53.7%	Marshall Is.	3/30 — 3/31	—
Amorgos Shipping Corporation (***)	Vessel Owning Company	53.7%	Marshall Is.	3/30 — 3/31	—
Andros Shipping Corporation (***)	Vessel Owning Company	53.7%	Marshall Is.	3/30 — 3/31	—
Antiparos Shipping Corporation (**)(***)	Vessel Owning Company	53.7%	Marshall Is.	3/30 — 3/31	—
Ikaria Shipping Corporation (**)(***)	Vessel Owning Company	53.7%	Marshall Is.	3/30 — 3/31	—
Kos Shipping Corporation (**)(***)	Vessel Owning Company	53.7%	Marshall Is.	3/30 — 3/31	—
Mytilene Shipping Corporation (**)(***)	Vessel Owning Company	53.7%	Marshall Is.	3/30 — 3/31	—
Skiathos Shipping Corporation (**)(***)	Vessel Owning Company	53.7%	Marshall Is.	3/30 — 3/31	—
Syros Shipping Corporation (**)(***)	Vessel Owning Company	53.7%	Marshall Is.	3/30 — 3/31	—
Skopelos Shipping Corporation (***)	Vessel Owning Company	53.7%	Cayman Is.	3/30 — 3/31	—
Sifnos Shipping Corporation (**)(***)	Vessel Owning Company	53.7%	Marshall Is.	3/30 — 3/31	—
Ios Shipping Corporation (***)	Vessel Owning Company	53.7%	Cayman Is.	3/30 — 3/31	—
Thera Shipping Corporation (**)(***)	Vessel Owning Company	53.7%	Marshall Is.	3/30 — 3/31	—
Shinyo Dream Limited (***)	Vessel Owning Company	53.7%	Hong Kong	3/30 — 3/31	—
Shinyo Kannika Limited (***)	Vessel Owning Company	53.7%	Hong Kong	3/30 — 3/31	—
Shinyo Kieran Limited (**)(***)	Vessel Owning Company	53.7%	British Virgin Is.	3/30 — 3/31	—
Shinyo Loyalty Limited (***)	Vessel Owning Company	53.7%	Hong Kong	3/30 — 3/31	—
Shinyo Navigator Limited (***)	Vessel Owning Company	53.7%	Hong Kong	3/30 — 3/31	—
Shinyo Ocean Limited (***)	Vessel Owning Company	53.7%	Hong Kong	3/30 — 3/31	—
Shinyo Saowalak Limited (***)	Vessel Owning Company	53.7%	British Virgin Is.	3/30 — 3/31	—
Crete Shipping Corporation (**)(***)	Vessel Owning Company	53.7%	Marshall Is.	3/30 — 3/31	—
Rhodes Shipping Corporation (**)(***)	Vessel Owning Company	53.7%	Marshall Is.	3/30 — 3/31	—
Tinos Shipping Corporation (**)(***)	Vessel Owning Company	53.7%	Marshall Is.	3/30 — 3/31	—
Folegandros Shipping Corporation (**)(***)	Vessel Owning Company	53.7%	Marshall Is.	3/30 — 3/31	—

Navios Acquisition Finance (US) Inc (***)	Operating Company	53.7%	Delaware	3/30 — 3/31	—
Serifos Shipping Corporation (**)(***)	Vessel Owning Company	53.7%	Marshall Is.	3/30 — 3/31	—

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

(*) Percentage does not include the ownership of 3,131,415, 1,174,219 and 788,370 common units received in relation to the sale of the Navios Hope, the Navios Aurora II and both the Navios Fulvia and the Navios Melodia, respectively, to Navios Maritime Partners L.P. ("Navios Partners") since these are considered available-for-sale securities.

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

(***) As of March 30, 2011, following the Navios Acquisition Share Exchange, Navios Holdings' ownership of the voting stock of Navios Acquisition decreased to 45% and Navios Holdings no longer controls a majority of the voting power of Navios Acquisition. As a result, as of March 30, 2011, Navios Acquisition is no longer consolidated and is accounted for under the equity method of accounting based on Navios Holdings' 53.7% economic interest in Navios Acquisition since the preferred stock is considered in substance common stock for accounting purposes (Note 3).

(c) Use of estimates: The preparation of consolidated financial statements in conformity with 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.

(d) ***Recent Accounting Pronouncements:***

Fair Value Disclosures

In January 2010, the Financial Accounting Standards Board ("FASB") issued amended standards requiring additional fair value disclosures. The amended standards require disclosures of transfers in and out of Levels 1 and 2 of the fair value hierarchy, as well as requiring gross basis disclosures for purchases, sales, issuances and settlements within the Level 3 reconciliation. Additionally, the update clarifies the requirement to determine the level of disaggregation for fair value measurement disclosures and to disclose valuation techniques and inputs used for both recurring and nonrecurring fair value measurements in either Level 2 or Level 3. Navios Holdings adopted the new guidance in the first quarter of fiscal year 2010, except for the disclosures related to purchases, sales, issuance and settlements within Level 3, which is effective for Navios Holdings beginning in the first quarter of fiscal year 2011. The adoption of the new standard did not have a significant impact on Navios Holdings' consolidated financial statements.

Fair value measurement

In May 2011, the Financial Accounting Standards Board ("FASB") issued amendments to achieve common fair value measurement and disclosure requirements. The new guidance (i) prohibits the grouping of financial instruments for purposes of determining their fair values when the unit of accounting is specified in another guidance, unless the exception provided for portfolios applies and is used; (ii) prohibits application of a blockage factor in valuing financial instruments with quoted prices in active markets and (iii) extends that prohibition to all fair value measurements. Premiums or discounts related to size as a characteristic of the entity's holding (that is, a blockage factor) instead of as a characteristic of the asset or liability (for example, a control premium), are not permitted. A fair value measurement that is not a Level 1 measurement may include premiums or discounts other than blockage factors when market participants would incorporate the premium or discount into the measurement at the level of the unit of accounting specified in another guidance. The new guidance aligns the fair value measurement of instruments classified within an entity's shareholders' equity with the guidance for liabilities. As a result, an entity should measure the fair value of its own equity instruments from the perspective of a market participant that holds the instruments as assets. The disclosure requirements have been enhanced. The most significant change will require entities, for their recurring Level 3 fair value measurements, to disclose quantitative information about unobservable inputs used a description of the valuation processes used by the entity, and a qualitative discussion about the sensitivity of the measurements. In addition, entities must report the level in the fair value hierarchy of assets and liabilities not recorded at fair value but where fair value is disclosed. The new guidance is effective for interim and annual periods beginning on or after December 15, 2011, with early adoption prohibited. The new guidance will require prospective application. The adoption of the new standard is not expected to have have a significant impact on Navios Holdings' consolidated financial statements.

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

NOTE 3: ACQUISITION/DECONSOLIDATION

Navios Acquisition acquired assets from Navios Holdings upon de-"SPAC"-ing

On May 25, 2010, after its special meeting of stockholders, Navios Acquisition announced the approval of (a) the acquisition from Navios Holdings of 13 vessels (11 product tankers and two chemical tankers plus options to purchase two additional product tankers) for an aggregate purchase price of $457,659, of which $128,659 was to be paid from existing cash and the $329,000 balance with existing and new debt financing pursuant to the terms and conditions of the Acquisition Agreement by and between Navios Acquisition and Navios Holdings and (b) certain amendments to Navios Acquisition's amended and restated articles of incorporation.

Following the consummation of the transactions described in the Acquisition Agreement, Navios Holdings was released from all debt and equity commitments for the above vessels and Navios Acquisition reimbursed Navios Holdings for equity payments made prior to the stockholders' meeting under the purchase contracts for the vessels, plus all associated payments previously made by Navios Holdings, which in the aggregate amounted to $76,485.

On May 28, 2010, certain shareholders of Navios Acquisition redeemed their shares pursuant to redemption rights granted in the IPO upon de-"SPAC"-ing, and Navios Holding's ownership of Navios Acquisition increased to 57.3%. At that point, Navios Holdings obtained control over Navios Acquisition and, consequently, concluded that a business combination had occurred and consolidated Navios Acquisition from that date onwards until March 30, 2011.

Goodwill of $13,143 arising from the transaction is not tax deductable and has been allocated to the Company's Tanker Vessel Operations.

In connection with the business combination, the Company (i) re-measured its previously-held equity interests in Navios Acquisition to fair value and recognized the difference between fair value and the carrying value as a gain, (ii) recognized 100% of the identifiable assets and liabilities of Navios Acquisition at their fair values, (iii) recognized a 42.7% noncontrolling interest at fair value, and (iv) recognized goodwill for the excess of the fair value of the noncontrolling interest and its previously-held equity interests in Navios Acquisition over the fair value of the identifiable assets and liabilities of Navios Acquisition. The fair value of the Company's previously-held investment in the common stock of Navios Acquisition, as well as the fair value of the noncontrolling interest as of May 28, 2010, were both calculated based on the closing price of Navios Acquisition's common stock on that date. The difference between the Company's legal ownership percentage of 57.3% (based on common stock outstanding) and the percentage derived by dividing the $95,232 allocated to the Company's investment in Navios Acquisition by the total value ascribed to Navios Acquisition's net assets (including goodwill) of $155,788 is a result of treating the Company's investment in Navios Acquisition's warrants as a previously-held equity interest for purposes of calculating goodwill in accordance with ASC 805.

The Company has considered the fact that Navios Acquisition did not have any vessel operations during the three month period ended March 31, 2010 and its statements of operations include mainly general and administrative expenses, formation and other costs and interest income from investment securities, resulting in a loss of $297. As a result, the Company has determined that, assuming the business combination had been consummated as of January 1, 2010, Navios Holdings' pro forma revenue and net income effect for the three month period ended March 31, 2010 would be immaterial.

VLCC Acquisition

On September 10, 2010, Navios Acquisition consummated the acquisition of seven very large crude carrier tankers ("VLCC"), referred to herein as the VLCC Acquisition, for $134,270 of cash and the issuance of 1,894,918 shares totalling $10,745 (of which 1,378,122 shares were deposited into a one year escrow to provide for indemnity and other claims). As of March 31, 2011, there were no contingencies known to the Company. The 1,894,918 shares were valued using the closing price of the stock on the date before the acquisition of $5.67. The VLCC Acquisition was treated as a business combination and assets and liabilities were recorded at fair value.

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

The Company has considered the fact that Navios Acquisition did not have any vessel operations during the three month period ended March 31, 2010. As a result, the Company has determined that, assuming the business combination had been consummated as of January 1, 2010, Navios Holdings' pro forma revenue and net income effect for the three month period ended March 31, 2010 would be immaterial.

Transaction costs amounted to $8,019 and have been fully expensed. Transaction costs includes $5,619, which was the fair value of the 3,000 preferred shares issued to a third party as compensation for consulting services (see Note 9).

Goodwill of $1,579 arising from the transaction is not tax deductible and has been allocated to the Company's Tanker Vessel operations.

Deconsolidation of Navios Acquisition

On March 30, 2011, Navios Holdings completed the Navios Acquisition Share Exchange whereby Navios Holdings exchanged 7,676,000 shares of Navios Acquisition's common stock it held for non-voting Series C preferred stock of Navios Acquisition pursuant to an Exchange Agreement entered into on March 30, 2011 between Navios Acquisition and Navios Holdings. The fair value of the exchange was $30,474, which was based on the share price of the publicly traded common shares of Navios Acquisition on March 30, 2011. Following the Navios Acquisition Share Exchange, Navios Holdings' ownership of the outstanding voting stock of Navios Acquisition decreased to 45% and Navios Holdings no longer controls a majority of the voting power of Navios Acquisition. From that date onwards, Navios Acquisition is considered as an affiliate entity of Navios Holdings and is not a controlled subsidiary of the Company, and the investment in Navios Acquisition is now accounted for under the equity method due to the Company's significant influence over Navios Acquisition. Navios Acquisition will be accounted for under the equity method of accounting based on Navios Holdings' 53.7% economic interest in Navios Acquisition, since the preferred stock is considered to be, in substance, common stock for accounting purposes.

On March 30, 2011, based on the equity method, the Company recorded an investment in Navios Acquisition of $103,250, which represents the fair value of the common stock and Series C preferred stock that was held by Navios Holdings on such date. On March 30, 2011, the Company calculated a loss on change in control of $35,325, which is equal to the fair value of the Company's investment in Navios Acquisition of $103,250 less the Company's 53.7% interest in Navios Acquisition's net assets on March 30, 2011.

NOTE 4: CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	March 31, 2011	December 31, 2010
Cash on hand and at banks	$ 98,129	$ 114,615
Short-term deposits and highly liquid funds	82,031	92,795
Total cash and cash equivalents	**$ 180,160**	**$ 207,410**

Short-term deposits and highly liquid funds are comprised of deposits with banks with original maturities of less than 90 days.

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

NOTE 5: VESSELS, PORT TERMINAL AND OTHER FIXED ASSETS

Vessels	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2010	**$ 1,548,383**	**$ (127,082)**	**$ 1,421,301**
Additions	133,874	(15,857)	118,017
Balance March 31, 2011	**$ 1,682,257**	**$ (142,939)**	**$ 1,539,318**

Port Terminals	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2010	**$ 65,258**	**$ (9,031)**	**$ 56,227**
Additions	900	(750)	150
Balance March 31, 2011	**$ 66,158**	**(9,781)**	**56,377**

Tanker vessels, barges and pushboats (Navios Logistics)	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2010	**$ 278,837**	**$ (42,637)**	**$ 236,200**
Additions	1,366	(4,181)	(2,815)
Balance March 31, 2011	**$ 280,203**	**$ (46,818)**	**$ 233,385**

Tanker vessels (Navios Acquisition)	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2010	**$ 538,751**	**$ (9,092)**	**$ 529,659**
Additions	31,774	(7,198)	24,576
Navios Acquisition deconsolidation	(570,525)	16,290	(554,235)
Balance March 31, 2011	**$ —**	**$ —**	**$ —**

Other fixed assets	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2010	**$ 8,767**	**$ (2,477)**	**$ 6,290**
Additions	600	(208)	392
Balance March 31, 2011	**$ 9,367**	**$ (2,685)**	**$ 6,682**

Total	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2010	**$ 2,439,996**	**$ (190,319)**	**$ 2,249,677**
Additions	168,514	(28,194)	140,320
Navios Acquisition deconsolidation	(570,525)	16,290	(554,235)
Balance March 31, 2011	**$ 2,037,985**	**$ (202,223)**	**$ 1,835,762**

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

Sale of Vessels

On January 8, 2010, Navios Holdings sold the Navios Hyperion, a 2004-built Panamax vessel, to Navios Partners for cash consideration of $63,000 (see Note 11).

On March 18, 2010, Navios Holdings sold the Navios Aurora II, a 2009 South Korean-built Capesize vessel with a capacity of 169,031 deadweight ton ("dwt"), to Navios Partners for consideration of $110,000. Out of the $110,000 purchase price, $90,000 was paid in cash and the remaining amount was paid through the receipt of 1,174,219 common units of Navios Partners (see Note 11, 14).

On May 21, 2010, Navios Holdings sold the Navios Pollux, a 2009 South-Korean-built Capesize vessel, to Navios Partners for a cash consideration of $110,000 (see Note 11).

On November 15, 2010, Navios Holdings sold to Navios Partners the vessels Navios Melodia and Navios Fulvia, two 2010-built Capesize vessels, for a total consideration of $176,971, of which $162,000 was paid in cash and the remaining amount was paid with 788,370 common units of Navios Partners (see Note 11, 14).

Vessel Acquisitions

As of March 31, 2011, Navios Holdings had exercised purchase options to acquire six Ultra Handymax, six Panamax and one Capesize vessel, including those exercised during the quarter ended March 31, 2011. The Navios Meridian, Navios Mercator, Navios Arc, Navios Galaxy I, Navios Magellan, Navios Horizon, Navios Star, Navios Hyperion, Navios Orbiter, Navios Hope, Navios Fantastiks, Navios Vector and Navios Astra were delivered at various dates from November 30, 2005 to February 21, 2011.

On January 20, 2010, Navios Holdings took delivery of the Navios Antares, a 2010 built Capesize vessel, with a capacity of 169,059 dwt, for an acquisition price of $115,747, of which $30,847 was paid in cash, $10,000 was paid in shares (698,812 common shares issued in December 2007 to the shipbuilder in connection with a progress payment at $14.31 per share, which represents the closing price for the common stock of the Company on the date of issuance), $64,350 was financed through loan and the remaining amount was funded through the issuance of 1,780 shares of preferred stock on January 20, 2010 (see also Note 9).

On April 28, 2010, the Navios Vector, a 50,296 dwt Ultra Handymax vessel and former long-term chartered-in vessel in operation, was delivered to Navios Holdings' owned fleet. The Navios Vector's acquisition cost was approximately $30,000, which was financed through the release of $17,982 restricted cash that was kept for investing activities, and the remaining balance through existing cash.

On September 20, 2010, the Navios Melodia, a new, 2010-built, 179,132 dwt, Capesize vessel, was delivered to Navios Holdings for an acquisition price of approximately $69,065, of which $19,657 was paid in cash, $36,987 financed through a loan and the remaining amount was funded through the issuance of 2,500 shares of preferred stock on July 31, 2010 that have a nominal value of $25,000 and a fair value of $12,421 (Note 9).

On October 1, 2010, the Navios Fulvia, a new, 2010-built, 179,263 dwt Capesize vessel, was delivered to Navios Holdings. The vessel's purchase price was approximately $67,511, of which $14,254 was paid in cash, $36,987 was financed through a loan and the remaining amount was funded through the issuance of 1,870 shares of preferred stock in 2009 that have a nominal value of $18,700 and a fair value of $7,177 and through the issuance of 1,870 shares of preferred stock on August 31, 2010 that have a nominal value of $18,700 and a fair value of $9,093 (see Note 9).

On October 29, 2010, the Navios Buena Ventura, a new, 2010-built, 179,132 dwt Capesize vessel, was delivered from a South Korean shipyard to Navios Holdings' owned fleet for an acquisition price $71,209, of which $19,089 was paid in cash, $39,000 financed through loan and the remaining amount was funded through the issuance of 2,500 shares of preferred stock that have a nominal value of $25,000 and a fair value of $13,120 (Note 9). Following the delivery of the Navios Buena Ventura, $39,000 (see Note 7), which was kept in a pledged account in Dekabank, was released to finance the delivery of this vessel as collateral.

On November 17, 2010, the Navios Luz, a new, 2010-built, 179,144 dwt Capesize vessel, was delivered from a South Korean shipyard to Navios Holdings' owned fleet. The vessel's acquisition price was $54,501, of which $563 was paid in cash, $37,500 financed through a loan and the remaining amount was funded through the issuance of 2,571 shares of preferred stock in 2009 that have a nominal value of $25,710 and a fair value of $11,728 and through the issuance of 980 shares of preferred stock on November 17, 2010 that have a nominal value of $9,800 and a fair value of $4,710 (see Note 9).

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

On December 3, 2010, the Navios Etoile, a new, 2010-built, 179,234 dwt Capesize vessel, was delivered from a South Korean shipyard to Navios Holdings' owned fleet. The vessel's acquisition price was $66,163, of which $22,781 was paid in cash, $37,500 financed through a loan and the remaining amount was funded through the issuance of 258 shares of preferred stock in 2009 that have a nominal value of $2,580 and a fair value of $1,177 and through the issuance of 980 shares of preferred stock on December 3, 2010 that have a nominal value of $9,800 and a fair value of $4,705 (see Note 9).

On December 17, 2010, the Navios Bonheur, a new, 2010-built, 179,259 dwt Capesize vessel, was delivered from a South Korean shipyard to Navios Holdings' owned fleet, for an acquisition price $68,883, of which $691 was paid in cash, $56,790 financed through a loan and the remaining amount was funded through the issuance of 2,500 shares of preferred stock on December 17, 2010 that have a nominal value of $25,000 and a fair value of $11,402 (see Note 9).

On January 28, 2011, Navios Holdings took delivery of the Navios Altamira, a new, 179,165 dwt 2010-built Capesize vessel, from a South Korean shipyard for an acquisition price of $55,427, of which $15,427 was paid in cash and the remaining amount was funded through a loan (see Note 7).

On February 14, 2011, Navios Holdings took delivery of the Navios Azimuth, a new, 179,169 dwt 2011-built Capesize vessel from a South Korean shipyard for a purchase price of approximately $55,672, of which $14,021 was paid in cash, $40,000 was financed through a loan and the remaining amount was funded through the issuance of 300 shares of preferred stock issued on January 27, 2010, which have a nominal value of $3,000 and a fair value of $1,651 (see Note 9).

On February 21, 2011, the Navios Astra, a 53,468 dwt Ultra-Handymax vessel and former long-term chartered-in vessel in operation, was delivered to Navios Holdings' owned fleet. The Navios Astra's acquisition price was $22,775, of which $1,513 was the unamortized portion of the favorable lease term and the remaining amount was paid in cash.

Navios Acquisition

On January 27, 2011, Navios Acquisition took delivery of the Nave Polaris, a 25,145 dwt South Korean —built chemical tanker, for a total cost of $31,774. Cash paid was $4,533 and $27,241 was transferred from vessel deposits.

Navios Logistics

During the first quarter of 2010, Navios Logistics began the construction of a drying and conditioning grain facility at its dry port facility in Nueva Palmira. The facility, which is expected to be operative by the end of May 2011, is being financed entirely with funds provided by the port operations. For the construction of the facility, Navios Logistics paid an amount of $3,043 during the year ended December 31, 2010 and $579 during the three month period ended March 31, 2011.

Additionally, during the first three month period ended March 31, 2011, Navios Logistics performed some improvements relating to its vessels, the Estefania H and the Jiujang, which costs amounted to $399 and $926, respectively.

In 2010, Navios Logistics acquired two pieces of land located at the south of the Nueva Palmira Free Zone as part of a project to develop a new transshipment facility for mineral ores and liquid bulks, paying a total of $987.

On February 3, 2010, Navios Logistics took delivery of a product tanker, the Sara H. The purchase price of the vessels (including direct costs) amounted to approximately $17,981.

In June 2010, Navios Logistics entered into long-term bareboat agreements for two new product tankers, the Stavroula and the Jiujiang, each with a capacity of 16,871 dwt. The Jiujiang and Stavroula were delivered in June and July 2010, respectively. Both tankers are chartered-in for a two-year period, and Navios Logistics has the obligation to purchase the vessels immediately upon the expiration of their respective charter periods. The purchase price of the vessels (including direct costs) amounted to approximately $19,643 and $17,904, respectively. As of March 31, 2011, the obligations for these vessels were accounted for as capital leases and the aggregate lease payments during the three month period ended March 31, 2011 for both vessels were $302.

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

NOTE 6: INTANGIBLE ASSETS OTHER THAN GOODWILL

Intangible assets as of March 31, 2011 consist of the following:

Navios Holdings

	Acquisition Cost	Accumulated Amortization	Disposal/Transfer to Vessel Cost	Net Book Value March 31, 2011
Trade name	$ 100,420	$ (19,126)	$ —	$ 81,294
Port terminal operating rights	34,060	(4,834)	—	29,226
Customer relationships	35,490	(5,767)	—	29,723
Favorable lease terms (*)	237,644	(115,170)	(1,513)	120,961
Total Intangible assets	407,614	(144,897)	(1,513)	261,204
Unfavorable lease terms	(127,513)	77,961	—	(49,552)
Total	**$ 280,101**	**$ (66,936)**	**$ (1,513)**	**$ 211,652**

Intangible assets as of December 31, 2010 consist of the following:

Navios Holdings (excluding Navios Acquisition)

	Acquisition Cost	Accumulated Amortization	Disposal/Transfer to Vessel Cost	Net Book Value December 31, 2010
Trade name	$ 100,420	$ (18,172)	$ —	$ 82,248
Port terminal operating rights	34,060	(4,605)	—	29,455
Customer relationships	35,490	(5,323)	—	30,167
Favorable construction contracts	7,600	—	(7,600)	—
Favorable lease terms (*)	250,674	(123,178)	(655)	126,84
Total Intangible assets	**428,244**	**(151,278)**	**(8,255)**	**268,711**
Unfavorable lease terms	(127,513)	76,249	—	(51,264)
Total	**$ 300,731**	**$ (75,029)**	**$ (8,255)**	**$ 217,447**

Navios Acquisition

	Acquisition Cost	Accumulated Amortization	Disposal/Transfer to Vessel Cost	Net Book Value December 31, 2010
Purchase options	3,158	—	—	3,158
Favorable lease terms	57,070	(1,236)	—	55,834
Total intangible assets	**60,228**	**(1,236)**	—	**58,992**
Unfavorable lease terms	(5,819)	208	—	(5,611)
Total	**$ 54,409**	**$ (1,028)**	**$ —**	**$ 53,381**

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

Total Navios Holdings

	Acquisition Cost	Accumulated Amortization	Disposal/Transfer to Vessel Cost	Net Book Value December 31, 2010
Total intangible assets	**$ 488,472**	**$ (152,514)**	**$ (8,255)**	**$ 327,703**
Total unfavorable lease terms	(133,332)	76,457	—	(56,875)
Total	**$ 355,140**	**$ (76,057)**	**$ (8,255)**	**$ 270,828**

(*) On April 28, 2010 and on February 21, 2011, the Navios Vector, a 50,296 dwt Ultra-Handymax vessel, and the Navios Astra, a 53,468 dwt Ultra-Handymax vessel, both former long-term chartered-in vessels in operation, were delivered, respectively, to Navios Holdings' owned fleet. The unamortized amounts of $655 of the Navios Vector's and $1,513 of the Navios Astra's favorable leases were included as an adjustment to the carrying value of the vessels.

The remaining aggregate amortization of acquired intangibles will be as follows:

Description	Within one year	Year Two	Year Three	Year Four	Year Five	Thereafter	Total
Navios Holdings							
Trade name	$ 3,853	$ 3,860	$ 3,853	$ 3,853	$ 3,853	$ 62,022	$ 81,294
Favorable lease terms	17,331	16,778	13,426	12,230	11,324	18,882	89,971
Unfavorable lease terms	(6,272)	(6,022)	(4,933)	(4,681)	(3,097)	(8,657)	(33,662)
Port terminal operating rights	917	917	917	917	917	24,641	29,226
Customer relationships	1,775	1,775	1,775	1,775	1,775	20,848	29,723
Total	**$ 17,604**	**$ 17,308**	**$ 15,038**	**$ 14,094**	**$ 14,772**	**$117,736**	**$ 196,552**

NOTE 7: BORROWINGS

Due to the deconsolidation of Navios Acquisition on March 30, 2011, the indebtedness of Navios Acquisition is not shown below.

Borrowings, as of March 31, 2011, consist of the following:

Navios Holdings loans	March 31, 2011
Loan Facility HSH Nordbank and Commerzbank A.G.	$ 62,236
Revolver Facility HSH Nordbank and Commerzbank A.G.	14,198
Commerzbank A.G.	109,779
Dekabank Deutsche Girozentrale	83,000
Loan Facility Emporiki Bank ($154,000)	58,410
Loan Facility Emporiki Bank ($75,000)	75,000
Emporiki Bank ($40,000)	40,000
Loan DNB NOR Bank ($40,000)	40,000
Loan DNB NOR Bank ($66,500)	60,700
Unsecured bonds	20,000
Ship mortgage notes	400,000
Senior notes	350,000
Total Navios Holdings loans	$1,313,323

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

Navios Logistics loans	March 31, 2011
Loan Marfin Egnatia Bank	$ 70,000
Other long-term loans	56,034
Total Navios Logistics loans	$126,034

Total Navios Holdings loans (including Navios Logistics loans)	March 31, 2011
Total borrowings	$1,439,357
Less: unamortized discount	(4,878)
Less: current portion	(63,407)
Total long-term borrowings	**$ 1,371,072**

Navios Holdings loans

In December 2006, the Company issued $300,000 in senior notes at a fixed rate of 9.5% due on December 15, 2014 ("2014 Notes"). On January 28, 2011, Navios Holdings completed the sale of $350,000 of 8.125% Senior Notes due 2019 (the "2019 Notes"). The net proceeds from the sale of the 2019 Notes were used to redeem any and all of Navios Holdings' outstanding 2014 Notes and pay related transaction fees and expenses and for general corporate purposes. Following this transaction, the loss on bond extinguishment was $21,199.

Senior Notes: On January 28, 2011, the Company and its wholly owned subsidiary, Navios Maritime Finance II (US) Inc. ("NMF" and, together with the Company, the "Co-Issuers") issued $350,000 in senior notes due on February 15, 2019 at a fixed rate of 8.125%. 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 NMF, Navios Maritime Finance (US) Inc., Navios Maritime Acquisition Corporation and its subsidiaries, Navios South American Logistics Inc. and its subsidiaries and Navios GP L.L.C. The Co-Issuers have the option to redeem the notes in whole or in part, at any time (i) before February 15, 2015, at a redemption price equal to 100% of the principal amount, plus a make-whole premium, plus accrued and unpaid interest, if any, and (ii) on or after February 15, 2015, at a fixed price of 104.063% of the principal amount, which price declines ratably until it reaches par in 2017, plus accrued and unpaid interest, if any. At any time before February 15, 2014, the Co-Issuers may redeem up to 35% of the aggregate principal amount of the notes with the net proceeds of an equity offering at 108.125% 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, upon the occurrence of certain change of control events, the holders of the notes will have the right to require the Co-Issuers to repurchase some or all of the notes at 101% of their face amount, plus accrued and unpaid interest to the repurchase date. Under a registration rights agreement, the Co-Issuers and the guarantors are obliged to file a registration statement prior on or to June 27, 2011, that enables the holders of notes to exchange the privately placed notes with publicly registered notes with identical terms. The senior notes contain covenants which, among other things, limit the incurrence of additional indebtedness, issuance of certain preferred stock, the payment of dividends, redemption or repurchase of capital stock or making restricted payments and investments, creation of certain liens, transfer or sale of assets, entering in transactions with affiliates, merging or consolidating or selling all or substantially all of the Co-Issuers' properties and assets and creation or designation of restricted subsidiaries. The Co-Issuers are in compliance with the covenants as of March 31, 2011.

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

Ship Mortgage Notes: In November 2009, the Company and its wholly owned subsidiary, Navios Maritime Finance (US) Inc. (together, the "Co-Issuers") issued $400,000 of first priority ship mortgage notes due on November 1, 2017 at a fixed rate of 8.875%. The ship mortgage notes are senior obligations of the Co-Issuers and are secured by first priority ship mortgages on 15 vessels owned by certain subsidiary guarantors and other related collateral securities. The ship mortgage notes are fully and unconditionally guaranteed, jointly and severally by all of the Company's direct and indirect subsidiaries that guarantee the 2019 notes. The guarantees of the Company's subsidiaries that own mortgage vessels are senior secured guarantees and the guarantees of the Company's subsidiaries that do not own mortgage vessels are senior unsecured guarantees. At any time before November 1, 2012, the Co-Issuers may redeem up to 35% of the aggregate principal amount of the ship mortgage notes with the net proceeds of a public equity offering at 108.875% of the principal amount of the ship mortgage notes, plus accrued and unpaid interest, if any, so long as at least 65% of the originally issued aggregate principal amount of the ship mortgage notes remains outstanding after such redemption. In addition, the Co-Issuers have the option to redeem the ship mortgage notes in whole or in part, at any time (1) before November 1, 2013, at a redemption price equal to 100% of the principal amount plus a make whole price which is based on a formula calculated using a discount rate of treasury bonds plus 50 bps, and (2) on or after November 1, 2013, at a fixed price of 104.438%, which price declines ratably until it reaches par in 2015. Furthermore, upon occurrence of certain change of control events, the holders of the ship mortgage notes may require the Co-Issuers to repurchase some or all of the notes at 101% of their face amount. Pursuant to the terms of a registration rights agreement, as a result of satisfying certain conditions, the Co-Issuers and the guarantors are not obligated to file a registration statement that would have enabled the holders of ship mortgage notes to exchange the privately placed notes with publicly registered notes with identical terms. The ship mortgage 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 certain transactions with affiliates, merging or consolidating or selling all or substantially all of Co-Issuers' properties and assets and creation or designation of restricted subsidiaries. The Co-Issuers are in compliance with the covenants as of March 31, 2011.

Loan Facilities:

The majority of the Company's senior secured credit facilities include maintenance covenants, including loan-to-value ratio covenants, based on either charter-adjusted valuations, or charter-free valuations. As of March 31, 2011, the Company was in compliance with all of the covenants under each of its credit facilities outlined below.

HSH/Commerzbank Facility: In February 2007, Navios Holdings entered into a secured loan facility with HSH Nordbank and Commerzbank AG maturing on October 31, 2014. The facility was composed of a $280,000 term loan facility and a $120,000 reducing revolving facility. In April 2008, the Company entered into an agreement for the amendment of the facility due to a prepayment of $10,000. In March 2009, Navios Holdings further amended its facility agreement, effective as of November 15, 2008, as follows: (a) to reduce the Security Value Maintenance ratio ("SVM") (ratio of the charter-free valuations of the mortgaged vessels over the outstanding loan amount) from 125% to 100%; (b) to obligate Navios Holdings to accumulate cash reserves into a pledged account with the agent bank of $14,000 ($5,000 in March 2009 and $1,125 on each loan repayment date during 2009 and 2010, starting from January 2009); and (c) to set the margin at 200 bps. The amendment was effective until January 31, 2010.

Following the sale of the Navios Apollon on October 29, 2009, Navios Holdings prepaid $13,501 of the loan facility and permanently reduced its revolving credit facility by $4,778.

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

Following the issuance of the ship mortgage notes in November 2009, the mortgages and security interests on ten vessels previously secured by the loan and the revolving facility were fully released in connection with the partial prepayment of the facility with approximately $197,599, of which $195,000 was funded from the issuance of the ship mortgage notes and the remaining $2,599 from the Company's cash. The Company permanently reduced the revolving facility by an amount of $26,662 and the term loan facility by $80,059. In April 2010, Navios Holdings further amended its facility agreement with HSH/Commerzbank as follows: (a) to release certain pledge deposits amounting to $117,519 and to accept additional securities of substitute vessels; and (b) to set a margin ranging from 115 bps to 175 bps depending on the security value. In April 2010, the available amount of $21,551 under the revolving facility was drawn and an amount of $117,519 was kept in a pledged account. On April 29, 2010, restricted cash of $17,982 was drawn to finance the acquisition of the Navios Vector. An amount of $73,974 was drawn from the pledged account to finance the acquisitions of the Navios Melodia and the Navios Fulvia ($36,987 for each vessel) and a prepayment of $25,553 was made on October 1, 2010. As a result, no outstanding amount was kept in the pledged account as of December 31, 2010 and as of March 31, 2011.

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

On November 15, 2010, following the sale of the Navios Melodia and the Navios Fulvia to Navios Partners for a total consideration of $177,000, of which $162,000 was paid in cash and the remaining in Navios Partners' units, Navios Holdings fully repaid its outstanding loan balance with HSH Nordbank in respect of the two vessels amounting to $71,898.

As of March 31, 2011, the outstanding amount under the revolving credit facility was $14,198 and the outstanding amount under the loan facility was $62,236. On May 19, 2011, in connection with the sale of the Navios Orbiter to Navios Partners, Navios Holdings repaid $20,217 of the outstanding loan associated with this vessel.

Emporiki Facilities: In December 2007, Navios Holdings entered into a facility agreement with Emporiki Bank of Greece of up to $154,000 in order to partially finance the construction of two Capesize bulk carriers. In July 2009, following an amendment of the above-mentioned agreement, the amount of the facility has been changed to up to $130,000.

On March 18, 2010, following the sale of the Navios Aurora II to Navios Partners, Navios Holdings repaid $64,350 and the outstanding amount of the facility has been reduced to $64,350. The amended facility is repayable in 10 semi-annual installments of $2,970 and 10 semi-annual installments of $1,980 with a final balloon payment of $14,850 on the last payment date. The interest rate of the amended facility is based on a margin of 175 bps. The loan facility requires compliance with certain financial covenants and the covenants contained in the senior notes. As of March 31, 2011, the outstanding amount under this facility was $58,410. On May 19, 2011, in connection with the sale of the Navios Luz to Navios Partners, Navios Holdings repaid $37,500 of the outstanding loan associated with this vessel.

In August 2009, Navios Holdings entered into another facility agreement with Emporiki Bank of Greece of up to $75,000 (divided into two tranches of $37,500) to partially finance the acquisition costs of two Capesize vessels. Each tranche of the facility is repayable in 20 semi-annual installments of $1,375 with a final payment of $10,000 on the last payment date. The repayment of each tranche starts six months after the delivery date of the respective Capesize vessel. It bears interest at a rate of LIBOR plus 175 bps. As of March 31, 2011, the full amount of $75,000 was drawn under this facility.

In September 2010, Navios Holdings entered into another facility agreement with Emporiki Bank of Greece of up to $40,000 in order to partially finance the construction of one Capesize bulk carrier, the Navios Azimuth, which was delivered on February 14, 2011 to Navios Holdings. The loan is repayable in 20 semi-annual equal installments of $1,500, with a final balloon payment of $10,000 on the last payment date. It bears interest at a rate of LIBOR plus 275 bps. The loan facility requires compliance with certain financial covenants and the covenants contained in the senior notes. As of March 31, 2011, the amount drawn was $40,000.

DNB Facilities: In June 2008, Navios Holdings entered into a facility agreement with DNB NOR BANK ASA of up to $133,000 in order to partially finance the construction of two Capesize bulk carriers. In June 2009, following an amendment of the above-mentioned agreement, one of the two tranches amounting to $66,500 was cancelled following the cancellation of construction of one Capesize bulk carrier. The amended facility is repayable six months following the delivery of the Capesize vessel in 11 semi-annual installments of $2,900, with a final payment of $34,600 on the last payment date. The interest rate of the amended facility is based on a margin of 225 bps as defined in the new agreement. As of March 31, 2011, the outstanding amount under this facility was $60,700.

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

In August 2010, Navios Holdings entered into a facility agreement with DNB NOR BANK ASA of up to $40,000 in order to partially finance the construction of one Capesize bulk carrier, the Navios Altamira, which was delivered on January 28, 2011 to Navios Holdings. The loan is repayable three months following the delivery of the Capesize vessel in 24 equal quarterly installments of $645, with a final balloon payment of $24,520 on the last payment date. It bears interest at a rate of LIBOR plus 275 bps. The loan facility requires compliance with certain financial covenants and the covenants contained in the senior notes. As of March 31, 2011, the amount drawn was $40,000.

Dekabank Facility: In February 2009 (amended and restated in May 2009), Navios Holdings entered into a facility of up to $120,000 with Dekabank Deutsche Girozentrale to finance the acquisition of two Capesize vessels. The loan is repayable in 20 semi-annual installments and bears an interest rate based on a margin of 190 bps. The loan facility requires compliance with certain financial covenants and the covenants contained in the senior notes. Following the sale of the Navios Pollux to Navios Partners in May 2010, an amount of $39,000 was kept in a pledged account pending the delivery of a substitute vessel as collateral to this facility. The amount of $39,000 kept in the pledged account was released to finance the delivery of the Capesize vessel Navios Buena Ventura that was delivered to Navios Holdings on October 29, 2010. As of March 31, 2011, $83,000 was outstanding under this facility.

Marfin Facility: In March 2009, Navios Holdings entered into a loan facility with Marfin Egnatia Bank of up to $110,000 to be used to finance the pre-delivery installments for the construction of newbuilding vessels and for general corporate purposes. It bears interest at a rate based on a margin of 275 bps. During 2010, a total amount of $43,375 was drawn and has been fully repaid. Since September 7, 2010, the available amount of the loan facility has been reduced to $30,000. On May 10, 2011, the amount of $18,850 was drawn to finance the acquisition of the Navios Astra.

Commerzbank Facility: In June 2009, Navios Holdings entered into a new facility agreement of up to $240,000 (divided into four tranches of $60,000) with Commerzbank AG in order to partially finance the acquisition of a Capesize vessel and the construction of three Capesize vessels. Each tranche of the facility is repayable starting three months after the delivery of each Capesize vessel in 40 quarterly installments of $882 with a final payment of $24,706 on the last payment date. It bears interest at a rate based on a margin of 225 bps. As of March 31, 2011, the outstanding amount was $109,779. The loan facility requires compliance with the covenants contained in the senior notes. Following the sale of two Capesize vessels, the Navios Melodia and the Navios Buena Ventura, on September 20, 2010 and October 29, 2010 to Navios Partners, respectively, Navios Holdings cancelled two of the four tranches and fully repaid in October 2010 their outstanding loan balances of $53,600 and $54,500, respectively.

Unsecured Bond: In July 2009, Navios Holdings issued a $20,000 unsecured bond due in July 2012 as a partial payment for the acquisition price of a Capesize vessel. Interest will accrue on the principal amount of the unsecured bond at the rate of 6% per annum. All accrued interest (which will not be compounded) will be first due and payable in July 2012, which is the maturity date. The unsecured bond may be prepaid by Navios Holdings at any time without prepayment penalty.

Navios Logistics loans

Marfin Facility

On March 31, 2008, Nauticler entered into a $70,000 loan facility for the purpose of providing Nauticler S.A. with investment capital to be used in connection with one or more investment projects. In March 2009, Navios Logistics transferred its loan facility of $70,000 to Marfin Popular Bank Public Co. Ltd. The loan provided for an additional one year extension and an increase in margin to 275 basis points. On March 23, 2010, the loan was extended for one additional year, providing an increase in margin to 300 basis points. On March 29, 2011, Navios Logistics agreed with Marfin Popular Bank to amend its current loan agreement with its subsidiary, Nauticler S.A., to provide for a $40,000 revolving credit facility. The amended facility provides for the existing margin of 300 basis points and would be secured by mortgages on four tanker vessels or alternative security over other assets acceptable to the bank. The amended facility will require compliance with customary covenants. The obligation of the bank under the amended facility is subject to prepayment of the $70,000 facility and is subject to customary conditions, such as the receipt of satisfactory appraisals, insurance, opinions and the negotiation, execution and delivery of mutually satisfactory loan documentation. In connection with the amendment, Nauticler S.A. agreed to prepay the $70,000 through the proceeds of the Logistics Senior Notes (see Note 16). As of March 31, 2011, the amount outstanding under this facility was $70,000.

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

Non-Wholly Owned Subsidiaries Indebtedness

In connection with the acquisition of Horamar, Navios Logistics assumed a $9,500 loan facility that was entered into by HS Shipping Ltd. Inc. in 2006, in order to finance the building of a 8,974 dwt double hull tanker (Malva H). Since the vessel's delivery, the interest rate has been LIBOR plus 150 bps. The loan is repaid in 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 extend beyond December 31, 2011. The loan can be pre-paid before such date, with two days written notice. The loan also requires compliance with certain covenants. As of March 31, 2011, the amount outstanding under this facility was $6,605.

On September 4, 2009, HS Navigation Inc. entered into a loan facility for an amount of up to $18,710 that bears interest at LIBOR plus 225 bps in order to finance the acquisition cost of the Estefania H. The loan is repayable in installments that shall not be less than the highest of (a) 90% of the amount of the last hire payment due to HS Navigation Inc. prior to the repayment date, and (b) $250, inclusive of any interest accrued in relation to the loan at that time. The repayment date must occur prior to May 15, 2016. The loan also requires compliance with certain covenants. As of March 31, 2011, the amount outstanding under this facility was $14,387.

On December 15, 2009, HS Tankers Inc., a majority owned subsidiary of Navios Logistics, entered into a loan facility in order to finance the acquisition cost of the Makenita H for an amount of $24,000 which bears interest at LIBOR plus 225 bps. The loan is repayable in installments that shall not be less than the highest of (a) 90% of the amount of the last hire payment due to HS Tankers Inc. prior to the repayment date, and (b) $250, inclusive of any interest accrued in relation to the loan at that time. The repayment date must occur prior to March 24, 2016. The loan also requires compliance with certain covenants. As of March 31, 2011, the amount outstanding under this facility was $20,511.

On December 20, 2010, HS South Inc., a majority owned subsidiary of Navios Logistics, entered into a loan facility in order to finance the acquisition cost of the Sara H for an amount of $14,385 which bears interest at LIBOR plus 225 bps. The loan will be repaid by installments. The loan is repayable in installments that shall not be less than the highest of (a) 90% of the amount of the last hire payment due to be HS South Inc. prior to the repayment date and (b) $250, inclusive of any interest accrued in relation to the loan at that time. The repayment date must occur prior to May 24, 2016. The loan also requires compliance with certain covenants. As of March 31, 2011, the amount outstanding under this facility was $13,813.

Other Indebtedness

In connection with the acquisition of Hidronave S.A. in October 29, 2009, Navios Logistics assumed an $817 loan facility that was entered into by Hidronave S.A. in 2001, in order to finance the construction of a pushboat (Nazira). As of March 31, 2011, the outstanding loan balance was $718. The loan facility bears interest at a fixed rate of 600 bps. The loan is repaid in installments of $6 each and the final repayment date can not extend beyond August 10, 2021. The loan also requires compliance with certain covenants.

As of March 31, 2011, Navios Logistics and its subsidiaries were in compliance with all of the covenants under each of its credit facilities.

The maturity table below reflects the principal payments for the next five years and thereafter of all borrowings of Navios Holdings (including Navios Logistics) outstanding as of March 31, 2011, based on the repayment schedule of the respective loan facilities (as described above) and the outstanding amount due under the debt securities.

Payment due by period	Amounts in thousands of U.S. dollars
March 31, 2012	$ 63,407
March 31, 2013	77,301
March 31, 2014	58,185
March 31, 2015	97,932
March 31, 2016	82,490
March 31, 2017 and thereafter	1,060,042
Total	**$ 1,439,357**

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

NOTE 8: DERIVATIVES AND FAIR VALUE OF FINANCIAL INSTRUMENTS

Interest rate risk

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

For the three month period ended March 31, 2011 and 2010, the realized loss on interest rate swaps was $0, and $265, respectively. The unrealized gain as of March 31, 2011 and 2010, was $0 and $238, respectively.

There are no swap agreements as of March 31, 2011, as all of them expired during 2010.

Forward Freight Agreements (FFAs)

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

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

For FFAs that qualify for hedge accounting the changes in fair values of the effective portion representing unrealized gain or losses are recorded under “Accumulated Other Comprehensive Income” in 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 statements of operations under “Loss on derivatives”. The gains included in “Accumulated Other Comprehensive Income” are being reclassified to earnings under “Revenue” in the statements of operations in the same period or periods during which the hedged forecasted transaction affects earnings. There were no amounts during the three month periods ended March 31, 2011 and 2010 that were included in “Accumulated Other Comprehensive Income” and reclassified to earnings.

At March 31, 2011 and December 31, 2010, none of the “mark to market” positions of the open dry bulk FFA contract qualified for hedge accounting treatment. Dry bulk FFAs traded by the Company that do not qualify for hedge accounting are shown at fair value through the statement of operations.

The net losses from FFAs recorded in the statement of operations amounted to $385 and $1,866 for the periods ended March 31, 2011 and 2010, respectively.

During each of the three month periods ended March 31, 2011 and 2010, the changes in net unrealized losses on FFAs amounted to $263 and $5,768, respectively.

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

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

Forward Freight Agreements (FFAs)	March 31, 2011	December 31, 2010
Long-term FFA derivative asset	—	149
Short-term FFA derivative liability	(241)	(245)
Long-term FFA derivative liability	(118)	—
Net fair value on FFA contracts	**$ (359)**	**$ (96)**
NOS FFAs portion of fair value transferred to NOS derivative account (*)	**$ 92**	**$ 92**
LCH FFAs portion of fair value transferred to LCH derivative account (**)	**$ 1,215**	**$ 1,328**

Reconciliation of balances

Total of balances related to derivatives and financial instruments:

	March 31, 2011	December 31, 2010
FFAs	$ (359)	$ (96)
NOS FFAs portion of fair value transferred to NOS derivative account (*)	92	92
LCH FFAs portion of fair value transferred to LCH derivative account (**)	1,215	1,328
Total	**$ 948**	**$ 1,324**

Balance Sheet Values

	March 31, 2011	December 31, 2010
Total short-term derivative asset	$ 1,307	$ 1,420
Total long-term derivative asset	—	149
Total short-term derivative liability	(241)	(245)
Total long-term derivative liability	(118)	—
Total	**$ 948**	**$ 1,324**

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

(**) LCH: The London Clearing House.

Fair Value of Financial Instruments

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

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

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

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

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

Borrowings: The carrying amount of the floating rate loans approximates its fair value. The senior and ship mortgage notes are fixed rate borrowings and their fair value, which was determined based on quoted market prices, is indicated in the table below.

Accounts receivable: Carrying amounts are considered to approximate fair value due to the short-term nature of these accounts receivables and because there were no significant changes in interest rates. All amounts that are assumed to be uncollectible are written off and/or reserved.

Accounts payable: The carrying amount of accounts payable reported in the balance sheet approximates its fair value due to the short-term nature of these accounts payable and because there were no significant changes in interest rates.

Investment in available for sale securities: The carrying amount of the investment in available-for-sale securities reported in the balance sheet represents unrealized gains and losses on these securities, which are reflected directly in equity unless an unrealized loss is considered "other-than-temporary", in which case it is transferred to the statements of operations.

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

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

	March 31, 2011		December 31, 2010	
	Book Value	Fair Value	Book Value	Fair Value
Cash and cash equivalent	$ 180,160	$ 180,160	$ 207,410	$ 207,410
Restricted cash	$ 19,173	$ 19,173	$ 53,577	$ 53,577
Accounts receivable, net	$ 71,703	$ 71,703	$ 70,388	$ 70,388
Accounts payable	$ (41,972)	$ (41,972)	$ (49,496)	$ (49,496)
Senior and ship mortgage notes, net of discount	$ (745,122)	$ (789,500)	$ (1,093,787)	$ (1,152,752)
Long-term debt, including current portion	$ (689,357)	$ (689,357)	$ (982,123)	$ (982,123)
Investments in available for sale securities	$ 103,561	$ 103,561	$ 99,078	$ 99,078
Forward Freight Agreements, net	$ (359)	$ (359)	$ (96)	$ (96)

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

	Fair Value Measurements as of March 31, 2011			
Assets	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
FFAs	$ —	$ —	$ —	$ —
Investments in available for sale securities	103,561	103,561	—	—
Total	$ 103,561	$ 103,561	$ —	$ —

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

	Fair Value Measurements as of March 31, 2011			
Liabilities	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
FFAs	$ 359	$ 359	$ —	$ —
Total	$ 359	$ 359	$ —	$ —

	Fair Value Measurements as of December 31, 2010			
Assets	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
FFAs	$ 149	$ 149	$ —	$ —
Investments in available for sale securities	99,078	99,078	—	—
Total	$99,227	$ 99,227	$ —	$ —

	Fair Value Measurements as of December 31, 2010			
Liabilities	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
FFAs	$ 245	$ 245	$ —	$ —
Total	$ 245	$ 245	$ —	$ —

The Company's FFAs are valued based on published quoted market prices. Investments in available for sale securities are valued based on published quoted market prices. Where possible, the Company verifies the values produced by its pricing models to market prices. Valuation models require a variety of inputs, including contractual terms, market prices, yield curves, credit spreads, measures of volatility, and correlations of such inputs. The Company's derivatives trade in liquid markets, and as such, model inputs can generally be verified and do not involve significant management judgment. Such instruments are typically classified within Level l of the fair value hierarchy.

NOTE 9: PREFERRED AND COMMON STOCK

In November 2008, the Board of Directors approved a share repurchase program for up to $25,000 of Navios Holdings' common stock. Share repurchases are made pursuant to a program adopted under Rule 10b5-1 under the Exchange Act. The program does not require any minimum purchase or any specific number or amount of shares and may be suspended or reinstated at any time in Navios Holdings' discretion and without notice. Repurchases are subject to restrictions under the terms of the Company's credit facilities and indentures. There were no shares repurchased during the fiscal quarter ended March 31, 2011 and during the year ended December 31, 2010.

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

Issuances to Employees and Exercise of Options

On June 2, 2010, July 1, 2010 and September 9, 2010, 86,328, 15,000 and 29,249 shares, respectively, were issued following the exercise of the options exercised for cash at an exercise price of $3.18 per share.

On December 16, 2010, pursuant to the stock plan approved by the Company's Board of Directors, the Company issued to its employees 537,310 shares of restricted common stock, 30,500 restricted stock units and 954,842 stock options.

On March 1, March 2 and March 7, 2011, 18,281, 29,250 and 68,047 shares, respectively, were issued following the exercise of the options exercised for cash at an exercise price of $3.18 per share.

Vested, Surrendered and Forfeited

During 2010, 30,333 restricted stock units, which were issued to the Company's employees in 2009 and 2008, have vested.

During 2010, 3,550 restricted shares of common stock were forfeited upon termination of employment and 5,103 were surrendered.

During the three month period ended March 31, 2011, 8,001 restricted shares of common stock were forfeited upon termination of employment.

Issuances for Construction or Purchase of Vessels

On January 20, 2010 and on January 27, 2010, Navios Holdings issued 1,780 shares of preferred stock (fair value $10,550) and 300 shares of preferred stock (fair value $1,651) at $10.0 nominal value per share to partially finance the acquisition of the Navios Antares and the construction of the Navios Azimuth, respectively. These vessels were delivered to Navios Holdings on January 1, 2010 and February 14, 2011, respectively.

On July 31, 2010 and on August 31, 2010, Navios Holdings issued 2,500 shares of preferred stock (fair value $12,421) and 1,870 shares of preferred stock (fair value $9,093) at $10.0 nominal value per share to partially finance the acquisition of the Navios Melodia and Navios Fulvia, respectively. The Navios Melodia and Navios Fulvia were delivered to Navios Holdings on September 20, 2010 and October 1, 2010, respectively.

On October 29, 2010 and November 17, 2010, Navios Holdings issued 2,500 shares of preferred stock (fair value $13,120) and 980 shares of preferred stock (fair value $4,710), respectively, at $10.0 nominal value per share to partially finance the construction of the Navios Buena Ventura and the Navios Luz.

On December 3, 2010 and December 17, 2010, Navios Holdings issued 980 shares of preferred stock (fair value $4,705) and 2,500 shares of preferred stock (fair value $11,402), respectively, at $10.0 nominal value per share to partially finance the construction of the Navios Etoile and the Navios Bonheur.

All of the above mentioned shares of 2% Mandatorily Convertible Preferred Stock ("Preferred Stock") were recorded at fair market value on issuance. The fair market value was determined using a binomial valuation model. The model used takes into account the credit spread of the Company, the volatility of its stock, as well as the price of its stock at the issuance date. Each preferred share has a par value of $0.0001. Each holder of Preferred Stock is entitled to receive an annual dividend equal to 2% on the nominal value of the Preferred Stock after approval by the Board of Directors, payable quarterly, until such time as the Preferred Stock converts into common stock. Five years after the issuance date, all Preferred Stock shall automatically convert into shares of common stock at a conversion price equal to $10.00 per preferred share. At any time following the third anniversary from their issuance date, if the closing price of the common stock has been at least $20.00 per share for 10 consecutive business days, the remaining balance of the then-outstanding preferred shares shall automatically convert at a conversion price equal to $14.00 per share of common stock. The holders of Preferred Stock are entitled, at their option, at any time following their issuance date and prior to their final conversion date, to convert all or any such then-outstanding preferred shares into common stock at a conversion price equal to $14.00 per preferred share.

Buyback of $131,320 2% Preferred Stock

On December 27, 2010, Navios Holdings repurchased $131,320 (or 13,132 shares) of certain shares of Preferred Stock previously issued in connection with the acquisition of Capesize vessels for a cash consideration of $49,245, reflecting a 62.5% discount to the face amount (or nominal value).

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

Following the issuances and cancellations of the shares, described above, Navios Holdings had as of March 31, 2011, 101,671,343 shares of common stock and 8,479 Preferred Stock outstanding.

NOTE 10: COMMITMENTS AND CONTINGENCIES

As of March 31, 2011, the Company was contingently liable for letters of guarantee and letters of credit amounting to $490 (December 31, 2010: $1,098) issued by various banks in favor of various organizations and the total amount was collateralized by cash deposits, which were included as a component of restricted cash.

The Company is involved in various disputes and arbitration proceedings arising in the ordinary course of business. Provisions have been recognized in the financial statements for all such proceedings where the Company believes that a liability may be probable, and for which the amounts are reasonably estimable, based upon facts known at the date the financial statements were issued. 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.

As of March 31, 2011, the Company's subsidiaries in South America were contingently liable for various claims and penalties to the local tax authorities amounting to $4,922 ($4,674 as of December 31, 2010). The respective provision for such contingencies was included in "Other long-term liabilities and deferred income". According to the acquisition agreement (see Note 1), if the Company becomes obligated to pay such amounts, the amounts involved will be reimbursed by the previous shareholders, and, as such, the Company has recognized a respective receivable (included in "Other long-term assets") against such liability, since the management considers collection of the receivable to be probable. The contingencies are expected to be resolved in the next four years. In the opinion of management, the ultimate disposition of these matters will not adversely affect the Company's financial position, results of operations or liquidity. On August 19, 2009, Navios Logistics issued a guarantee and indemnity letter that guarantees the fulfillment by Petrolera San Antonio S.A. ("Petrosan") of all its obligations to Vitol S.A. ("Vitol") up to $4,000. On May 6, 2011, the guarantee amount was increased to $10,000. In addition, Petrosan agreed to pay Vitol immediately upon demand, any and all sums up to the referred limit, plus interest and costs, in relation to sales of gas oil under certain contracts between Vitol and Petrosan. This guarantee will expire on August 18, 2011.

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

As of March 31, 2011, the Company's future minimum commitments, net of commissions under chartered-in vessels, barges and pushboats were as follows:

	Amounts in thousands of U.S. Dollars
March 31, 2012	$ 97,317
March 31, 2013	103,684
March 31, 2014	109,028
March 31, 2015	98,840
March 31, 2016	91,607
2017 and thereafter	462,823
Total	**$ 963,299**

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

NOTE 11: TRANSACTIONS WITH RELATED PARTIES

Office rent: On January 2, 2006, Navios Corporation and Navios ShipManagement Inc., two wholly owned subsidiaries of Navios Holdings, entered into two lease agreements with Goldland Ktimatiki-Ikodomiki-Touristiki and Xenodohiaki Anonimos Eteria, both of which are Greek corporations that are currently majority owned by 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 to house the operations of most of the Company's subsidiaries. The total annual lease payments are €473 (approximately $667) and the lease agreements expire in 2017. 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. entered into a lease agreement with Emerald Ktimatiki-Ikodomiki-Touristiki and Xenodohiaki Anonimos Eteria, both of which are Greek corporations that are currently majority owned by Angeliki Frangou, Navios Holdings' Chairman and Chief Executive Officer. The lease agreement initially provided for the leasing of one facility in Piraeus, Greece, of approximately 1,376.5 square meters to house part of the operations of the Company. On October 29, 2010, the existing lease agreement was amended and Navios ShipManagement Inc. leases 253.75 less square meters. The total annual lease payments are €370 (approximately $522) 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.

On October 29, 2010, Navios Tankers Management Inc. entered into a lease agreement with Emerald Ktimatiki-Ikodomiki-Touristiki and Xenodohiaki Anonimos Eteria, both of which are Greek corporations that are currently majority owned by Angeliki Frangou, Navios Holdings' Chairman and Chief Executive Officer. The lease agreement provides for the leasing of one facility in Piraeus, Greece, of approximately 253.75 square meters to house part of the operations of the Company. The total annual lease payments are €79 (approximately $112) 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"), a brokerage firm for freight and shipping charters, as a broker. Navios Holdings has a 50% interest in Acropolis. Although Navios Holdings owns 50% of Acropolis' stock, Navios Holdings has agreed with the other shareholder that the earnings and amounts declared by way of dividends will be allocated 35% to the Company with the balance to the other shareholder. Commissions paid to Acropolis for the three month period ended March 31, 2011 and 2010 were $0 and $56, respectively. During the three month period ended March 31, 2011 and 2010, the Company received dividends of $0 and $616, respectively. Included in the trade accounts payable at March 31, 2011 and December 31, 2010 is an amount of $131 and $121, 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 fixed fee of $4 per owned Panamax vessel and $5 per owned Capesize vessel. This daily fee covers all of the vessels' operating expenses, including the cost of drydock and special surveys. The daily initial term of the agreement is five years commencing from November 16, 2007. Total management fees for the periods ended March 31, 2011 and 2010, amounted to $6,048 and $4,058, respectively. Since November 2009, Navios Holdings will receive $4.5 per owned Ultra Handymax vessel, $4.4 per owned Panamax vessel and $5.5 per owned Capesize vessel.

Pursuant to a management agreement dated May 28, 2010, as amended on September 10, 2010, for five years from the closing of Navios Acquisition's initial vessel acquisition Navios Holdings provides commercial and technical management services to Navios Acquisition's vessels for a daily fee of $6 per owned MR2 product tanker and chemical tanker vessel and $7 per owned LR1 product tanker vessel and $10 per owned VLCC vessel, for the first two years with the fixed daily fees adjusted for the remainder of the term based on then-current market fees. This daily fee covers all of the vessels' operating expenses, other than certain extraordinary fees and costs. During the remaining three years of the term of the Management Agreement, Navios Acquisition expects that it will reimburse Navios Holdings for all of the actual operating costs and expenses it incurs in connection with the management of its fleet. Actual operating costs and expenses will be determined in a manner consistent with how the initial $6 and $7 fixed fees were determined. Drydocking expenses will be fixed under this agreement for up to $300 per vessel and will be reimbursed at cost for VLCC vessels. Total management fees for the periods ended March 31, 2011 and 2010 amounted to $7,584 and $0, respectively, which have been eliminated upon consolidation of Navios Acquisition through March 30, 2011.

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

General & 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 services. 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, 2011 and 2010 amounted to $800 and $603, respectively.

On May 28, 2010, Navios Acquisition entered into an administrative services agreement, expiring May 28, 2015, with Navios Holdings, pursuant to which Navios Holdings provides office space and certain administrative management services to Navios Acquisition 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, 2011 and 2010 amounted to $316 and $0, respectively, which have been eliminated upon consolidation of Navios Acquisition through March 30, 2011.

Balance due from affiliate: Balance due from affiliate as of March 31, 2011 amounted to $15,327 (December 31, 2010: $2,603) which includes the current amounts due from Navios Partners and Navios Acquisition, which are $6,920 and $8,407, respectively. The balances mainly consist of management fees, administrative fees and other expenses.

Omnibus agreements: Navios Holdings entered into an omnibus agreement with Navios Partners (the "Partners Omnibus Agreement") in connection with the closing of Navios Partners' IPO governing, among other things, when Navios Holdings and Navios Partners may compete against each other as well as rights of first offer on certain drybulk carriers. Pursuant to the Partners Omnibus Agreement, Navios Partners generally agreed not to acquire or own Panamax or Capesize drybulk carriers under time charters of three or more years without the consent of an independent committee of Navios Partners. In addition, Navios Holdings agreed to offer to Navios Partners the opportunity to purchase vessels from Navios Holdings when such vessels are fixed under time charters of three or more years. The Partners Omnibus Agreement was amended in June 2009 to release Navios Holdings for two years from restrictions on acquiring Capesize and Panamax vessels from third parties.

Navios Acquisition entered into an omnibus agreement (the "Acquisition Omnibus Agreement") with Navios Holdings and Navios Partners in connection with the closing of Navios Acquisition's initial vessel acquisition pursuant to which, among other things, Navios Holdings and Navios Partners agreed not to acquire, charter-in or own liquid shipment vessels, except for container vessels and vessels that are primarily employed in operations in South America without the consent of an independent committee of Navios Acquisition. In addition, Navios Acquisition, under the Acquisition Omnibus Agreement, agreed to cause its subsidiaries not to acquire, own, operate or charter drybulk carriers subject to specific exceptions. Under the Acquisition Omnibus Agreement, Navios Acquisition and its subsidiaries granted to Navios Holdings and Navios Partners a right of first offer on any proposed sale, transfer or other disposition of any of its drybulk carriers and related charters owned or acquired by Navios Acquisition. Likewise, Navios Holdings and Navios Partners agreed to grant a similar right of first offer to Navios Acquisition for any liquid shipment vessels it might own. These rights of first offer will not apply to a (a) sale, transfer or other disposition of vessels between any affiliated subsidiaries, or pursuant to the terms of any charter or other agreement with a counterparty, or (b) merger with or into, or sale of substantially all of the assets to, an unaffiliated third party.

Sale of Vessels and Sale of Rights to Navios Partners:.Upon the sale of vessels to Navios Partners, Navios Holdings recognizes the gain immediately in earnings only to the extent of the interest in Navios Partners owned by third parties and defers recognition of the gain to the extent of its own ownership interest in Navios Partners (the "deferred gain"). Subsequently, the deferred gain is amortized to income over the remaining useful life of the vessel. The recognition of the deferred gain is accelerated in the event that (i) the vessel is subsequently sold or otherwise disposed of by Navios Partners or (ii) the Company's ownership interest in Navios Partners is reduced. In connection with the public offerings of common units by Navios Partners, a pro rata portion of the deferred gain is released to income upon dilution of the Company's ownership interest in Navios Partners. As of March 31, 2011 and December 31, 2010, the unamortized deferred gain for all vessels and rights sold totaled $36,408 and $38,599, respectively, and for the three months ended March 31, 2011 and March 30, 2010, Navios Holdings recognized $2,191 and $6,795, respectively, of the deferred gain in "Equity in net earnings of affiliated companies".

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

Purchase of Shares in Navios Acquisition: During 2010, Navios Holdings purchased 6,337,551 shares of Navios Acquisition's common stock for $63,230 in open market purchases. Moreover, on May 28, 2010, certain shareholders of Navios Acquisition redeemed 10,021,399 shares pursuant to redemption rights granted in Navios Acquisition's IPO upon de-"SPAC"-ing. As of May 28, 2010, following these transactions, Navios Holdings owned 12,372,551 shares, or 57.3%, of the outstanding common stock of Navios Acquisition. At that date, Navios Holdings acquired control over Navios Acquisition, consequently concluded a business combination had occurred and consolidated the results of Navios Acquisition from that date onwards. As a result of gaining control, Navios Holdings recognized the effect of $17,742, which represents the fair value of the shares that exceed the carrying value of the Company's ownership of 12,372,551 shares of Navios Acquisition's common stock, in the statements of operations under "Gain on change in control". On November 19, 2010, following Navios Acquisition public offering of 6,500,000 shares of common stock at $5.50 per share, Navios Holdings' interest in Navios Acquisition decreased to 53.7%.

Pursuant to the Exchange Agreement signed on March 30, 2011, Navios Holdings completed the Navios Acquisition Share Exchange, whereby Navios Holdings exchanged 7,676,000 shares of Navios Acquisition's common stock it held for 1,000 non-voting Series C Convertible Preferred Stock of Navios Acquisition.

As of March 30, 2011 and onwards, following this transaction, Navios Holdings owned 18,331,551 shares or 45% of the outstanding voting stock of Navios Acquisition (see Note 1, 3). As a result, from March 30, 2011, Navios Acquisition is considered as an affiliate entity of Navios Holdings and is not a controlled subsidiary of the Company, and the investment in Navios Acquisition is now accounted for under the equity method due to the Company's significant influence over Navios Acquisition. From March 30, 2011, Navios Acquisition is being accounted for under the equity method based on Navios Holdings' 53.7% economic interest since the preferred stock is considered in substance common stock for accounting purposes.

Acquisition of Eleven Product Tanker and Two Chemical Tanker Vessels: On April 8, 2010, pursuant to the terms and conditions of the Acquisition Agreement by and between Navios Acquisition and Navios Holdings, Navios Acquisition agreed to acquire 13 vessels (11 product tankers and two chemical tankers) plus options to purchase two additional product tankers, for an aggregate purchase price of $457,659 (see Note 3).

Navios Acquisition Warrant Exercise Program: On September 2, 2010, Navios Acquisition announced the successful completion of its warrant program (the "Warrant Exercise Program"). Under the Warrant Exercise Program, holders of publicly traded warrants ("Public Warrants") had the opportunity to exercise the Public Warrants on enhanced terms through August 27, 2010. Navios Holdings exercised 13,635,000 private warrants for a total $77,037 in cash. Navios Holdings currently holds no other warrants of Navios Acquisition.

The Navios Holdings Credit Facility: In connection with the VLCC Acquisition, Navios Acquisition entered into a $40,000 credit facility with Navios Holdings. The $40,000 facility has a margin of LIBOR plus 300 bps and a term of 18 months, maturing on April 1, 2012. Following the issuance of the Notes in October 2010, Navios Acquisition prepaid $27,609 of this facility. Pursuant to an amendment in October 2010, the facility will be available for multiple drawings up to a limit of $40,000. As of March 31, 2011, the outstanding amount under this facility was $12,391.

NOTE 12: SEGMENT INFORMATION

The Company has three reportable segments from which it derives its revenues: Drybulk Vessel Operations, Tanker Vessel Operations and Logistics Business. The reportable segments reflect the internal organization of the Company and are strategic businesses that offer different products and services. Starting in 2008, following the acquisition of Horamar and the formation of Navios Logistics, the Company renamed its Port Terminal Segment as its 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 Drybulk Vessel Operations business consists of transportation and handling of bulk cargoes through ownership, operation, and trading of vessels, freight, and FFAs. The Logistics Business segment consists of our port terminal business, barge business and cabotage business in the Hidrovia region of South America. Following the formation of Navios Acquisition and its consolidation with Navios Holdings from May 25, 2010, the Company included an additional reportable segment, the Tanker Vessel Operations business, which consists of transportation and handling of liquid cargoes through ownership, operation, and trading of tanker vessels.

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

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

	Drybulk Vessel Operations for the Three Month Period Ended March 31, 2011	Logistics Business for the Three Month Period Ended March 31, 2011	Tanker Vessel Operations for the Three Month Period Ended March 31, 2011	Total for the Three Month Period Ended March 31, 2011
Revenue	$ 112,285	$ 44,357	$ 25,130	$ 181,772
Loss on derivatives	(385)	—	—	(385)
Interest income/expense and finance cost, net	(20,033)	(1,054)	(8,350)	(29,437)
Depreciation and amortization	(19,160)	(6,116)	(8,045)	(33,321)
Equity in net earnings of affiliated companies	7,015	—	—	7,015
Net (loss)/income attributable to Navios Holdings common stockholders	(3,425)	2,061	(36,781)	(38,145)
Total assets	2,513,807	356,144	—	2,869,951
Goodwill	56,240	104,096	—	160,336
Capital expenditures	(51,574)	(2,817)	(7,528)	(61,919)
Investment in affiliates	120,643	—	—	120,643
Cash and cash equivalents	143,624	36,536	—	180,160
Restricted cash (including current and non current portion)	19,080	93	—	19,173
Long term debt (including current and non current portion)	$ 1,308,445	$ 126,034	$ —	$ 1,434,479

	Drybulk Vessel Operations for the Three Month Period Ended March 31, 2010	Logistics Business for the Three Month Period Ended March 31, 2010	Tanker Vessel Operations for the Three Month Period Ended March 31, 2010	Total for the Three Month Period Ended March 31, 2010
Revenue	$ 118,164	$ 36,205	$ —	$ 154,369
Loss on derivatives	(1,838)	—	—	(1,838)
Interest income/expense and finance cost, net	(20,501)	(908)	—	(21,409)
Depreciation and amortization	(19,233)	(5,708)		(24,941)
Equity in net earnings of affiliated companies	11,584	—	—	11,584
Net income/(loss) attributable to Navios Holdings common stockholders	32,466	(1,165)	—	31,301
Total assets	2,440,415	519,547	—	2,959,962
Goodwill	56,239	91,677	—	147,916
Capital expenditures	64,896	2,869	—	67,765
Investment in affiliates	14,137	—	—	14,137
Cash and cash equivalents	190,988	19,932	—	210,920
Restricted cash (including current and non current portion)	133,555	1,027	—	134,582
Long term debt (including current and non current portion)	$ 1,469,172	$ 117,234	$ —	$ 1,586,406

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

NOTE 13: EARNINGS PER COMMON SHARE

Earnings per share are calculated by dividing net income by the average number of shares of Navios Holdings outstanding during the period.

	Three Month Period Ended March 31, 2011	Three Month Period Ended March 31, 2010
Numerator:		
Net (loss)/income attributable to Navios Holdings common stockholders	(38,145)	31,301
Less:		
Dividend on Preferred Stock	(418)	(503)
Interest on convertible debt and amortization of convertible bond discount	—	315
(Loss)/income available to common shareholders	(38,563)	31,113
Denominator:		
Denominator for basic net income per share attributable to Navios Holdings common stockholders — weighted average shares	100,852,517	100,425,549
Dilutive potential common shares — weighted average		
Restricted stock, restricted stock units and stock options	—	809,585
Convertible Preferred Stock and convertible debt	—	12,840,899
Dilutive effect of securities	—	13,650,484
Denominator for diluted net income per share attributable to Navios Holdings stockholders — adjusted weighted shares and assumed conversions	100,852,517	114,076,034
Basic net (loss)/income per share attributable to Navios Holdings stockholders	(0.38)	0.31
Diluted net (loss)/income per share attributable to Navios Holdings stockholders	(0.38)	0.27

For the period ended March 31, 2011, the denominator of diluted earnings per share excludes the weighted average preferred stock, restricted shares, restricted units and stock options outstanding since the effect is anti-dilutive.

NOTE 14: INVESTMENT IN AFFILIATES

Navios Maritime Partners L.P.

On August 7, 2007, Navios Holdings formed Navios Partners under the laws of Marshall Islands. Navios GP L.L.C. (the "General Partner"), a wholly owned subsidiary of Navios Holdings, was also formed on that date to act as the general partner of Navios Partners and received a 2% general partner interest.

On June 9, 2009, Navios Holdings relieved Navios Partners from its obligation to purchase the Capesize vessel Navios Bonavis for $130,000 and, with the delivery of the Navios Bonavis to Navios Holdings, Navios Partners was granted a 12-month option to purchase the vessel for $125,000. In return, Navios Partners issued to Navios Holdings 1,000,000 subordinated Series A units. The 1,000,000 subordinated Series A units are included in "Investments in affiliates". At issuance, the Company calculated the fair value of the 1,000,000 subordinated Series A units by adjusting the publicly-quoted price for Navios Partners' common units on the transaction date to reflect the differences between the common and subordinated Series A units of Navios Partners. Principal among these differences is the fact that the subordinated Series A units are not entitled to dividends prior to their automatic conversion to common units on the third anniversary of their issuance. Accordingly, the present value of the expected dividends during that three-year period (discounted at a rate that reflects Navios Partners' estimated weighted average cost of capital) was deducted from the publicly-quoted price for Navios Partners' common units in arriving at the estimated fair value of the subordinated Series A units of $6.08/unit or $6,082 for the 1,000,000 units received, which was recognized in Navios Holdings results as a non-cash compensation income. In addition, Navios Holdings was released from the omnibus agreement restrictions for two years in connection with acquiring vessels from third parties (but not from the requirement to offer to sell to Navios Partners qualifying vessels in Navios Holdings' existing fleet). The investment in subordinated series A units is accounted for under the cost method.

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

Navios Partners is engaged in the seaborne transportation services of a wide range of drybulk commodities including iron ore, coal, grain and fertilizer, chartering its vessels under medium to long-term charters. The operations of Navios Partners are managed by Navios Shipmanagement Inc. (the "Manager"), from its offices in Piraeus, Greece.

As of March 31, 2011 and December 31, 2010, the carrying amount of the investment in Navios Partners (subordinated units and general partner units) accounted for under the equity method was $10,756 and $12,218, respectively. The 3,131,415 common units from the sale of the Navios Hope, the 1,174,219 common units received from the sale of the Navios Aurora II on March 18, 2010, and 788,370 common units from the sale of both the Navios Fulvia and the Navios Melodia on November 15, 2010, to Navios Partners, were accounted for under investment in available for sale securities. As of March 31, 2011 and December 31, 2010, the carrying amount of the investment in available-for-sale common units was $103,561 and $99,078, respectively.

Dividends received during the three month periods ended March 31, 2011 and 2010 were $6,126 and $4,761, respectively.

Acropolis Chartering and Shipping Inc.

Navios Holdings has a 50% interest in Acropolis, a brokerage firm for freight and shipping charters. Although Navios Holdings owns 50% of Acropolis' stock, Navios Holdings agreed with the other shareholder that the earnings and amounts declared by way of dividends will be allocated 35% to the Company with the balance to the other shareholder. As of March 31, 2011 and December 31, 2010, the carrying amount of the investment was $545 and $385, respectively. During the three month period ended March 31, 2011 and 2010, the Company received dividends of $0 and $616, respectively.

Navios Maritime Acquisition Corporation

On July 1, 2008, the Company completed the IPO of units in its noncontrolled subsidiary, Navios Acquisition. At the time of the IPO, Navios Acquisition was a blank check company. In the offering, Navios Acquisition sold 25,300,000 units for an aggregate purchase price of $253,000. Each unit consisted of one share of Navios Acquisition's common stock and one Sponsor Warrant. Navios Acquisition at the time was not a controlled subsidiary of the Company but was accounted for under the equity method due to the Company's significant influence over Navios Acquisition.

On May 28, 2010, certain stockholders of Navios Acquisition redeemed their shares pursuant to redemption rights granted in the IPO upon de-"SPAC"-ing, and Navios Holdings' ownership of Navios Acquisition increased to 57.3%. At that point, Navios Holdings obtained control over Navios Acquisition and, consequently, concluded that a business combination had occurred and has consolidated the results of Navios Acquisition from that date onwards (see Note 1, 3) until March 30, 2011.

Navios Holdings exchanged 7,676,000 shares of Navios Acquisition common stock it held for 1,000 shares of non-voting Series C preferred stock of Navios Acquisition pursuant to an Exchange Agreement entered into on March 30, 2011 between Navios Acquisition and Navios Holdings. The fair value of the exchange was $30,474. Following the Navios Acquisition Share Exchange, Navios Holdings has 45% of the voting power and 53.7% of the economic interest in Navios Acquisition. As a result, from March 30, 2011, Navios Acquisition is considered as an affiliate entity of Navios Holdings and is not a controlled subsidiary of the Company, and the investment in Navios Acquisition is now accounted for under the equity method due to the Company's significant influence over Navios Acquisition. From March 30, 2011, Navios Acquisition is being accounted for under the equity method based on Navios Holdings' 53.7% economic interest since the preferred stock is considered in substance common stock for accounting purposes.

Summarized financial information of the affiliated companies is presented below:

	March 31, 2011		December 31, 2010	
Balance Sheet	**Navios Partners**	**Navios Acquisition**	**Navios Partners**	**Navios Acquisition**
Current assets	$ 59,418	$ 92,015	$ 55,612	$ 81,202
Non-current assets	770,581	920,265	785,273	923,885
Current liabilities	49,330	38,164	45,425	29,025
Non-current liabilities	294,467	723,241	303,957	722,334

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

	March 31, 2011		March 31, 2010	
Income Statement	Navios Partners	Navios Acquisition(*)	Navios Partners	Navios Acquisition
Revenue	$ 42,804	$ 25,130	$ 29,413	$ —
Net income/loss	16,600	(406)	12,585	(297)

* From March 30, 2011, Navios Acquisition is considered as an affiliate entity of Navios Holdings and is not a controlled subsidiary of the Company, and the investment in Navios Acquisition is now accounted for under the equity method.

NOTE 15: OTHER FINANCIAL INFORMATION

The Company's 8.125% senior notes issued on January 28, 2011 are fully and unconditionally guaranteed on a joint and several basis by all of the Company's subsidiaries with the exception of NMF, Navios Maritime Finance (US) Inc., Navios Acquisition and its subsidiaries and Navios Logistics and its subsidiaries for the periods prior to the formation of Navios Logistics and designated as unrestricted subsidiaries or those not required by the indenture (collectively the "non-guarantor subsidiaries") (see Note 7). Provided below are the condensed income statements and cash flow statements for the periods ended March 31, 2011 and 2010 and balance sheets as of March 31, 2011 and December 31, 2010 of Navios Holdings, the guarantor subsidiaries and the non-guarantor subsidiaries. All subsidiaries, except for the non-guarantor subsidiaries of Navios Logistics, are 100% owned. In addition, Navios Acquisition is not a subsidiary. Following the Navios Acquisition Share Exchange, Navios Holdings has 45% of the voting power and 53.7% of the economic interest in Navios Acquisition. As a result, from March 30, 2011, Navios Acquisition is considered an affiliate entity and is not a controlled subsidiary of the Company, and the investment in Navios Acquisition is accounted for under the equity method due to Navios Holdings' significant influence over Navios Acquisition. Navios Acquisition will be accounted for under the equity method based on Navios Holdings' 53.7% economic interest since the preferred stock is considered in substance common stock for accounting purposes.These condensed consolidating statements have been prepared in accordance on an equity basis as permitted by U.S. GAAP.

Income Statement for the three months ended March 31, 2011 (in 000s US$)	Navios Maritime Holdings Inc. Issuer	Other Guarantor Subsidiaries	Non Guarantor Subsidiaries	Eliminations	Total
Revenue	—	112,285	69,487	—	181,772
Time charter, voyage and logistics business expenses	—	(42,799)	(16,315)	—	(59,114)
Direct vessel expenses	—	(12,025)	(21,993)	—	(34,018)
General and administrative expenses	(3,682)	(5,239)	(3,853)	—	(12,774)
Depreciation and amortization	(693)	(18,467)	(14,161)	—	(33,321)
Interest income/expense and finance cost, net	(17,262)	(2,771)	(9,404)	—	(29,437)
Loss on derivatives	—	(385)	—	—	(385)
Loss on change in control	(35,325)	—	—	—	(35,325)
Loss on bond extinguishment	(21,199)	—	—	—	(21,199)
Other (expense)/income, net	(87)	658	(1,546)	—	(975)
(Loss)/income before equity in net earnings of affiliate companies	**(78,248)**	**31,257**	**2,215**	**—**	**(44,776)**
Income from subsidiaries	34,138	2,061	—	(36,199)	—
Equity in net earnings of affiliated companies	5,965	1,050	—	—	7,015
(Loss)/income before taxes	**(38,145)**	**34,368**	**2,215**	**(36,199)**	**(37,761)**
Income taxes	—	(73)	977	—	904
Net (loss)/income	**(38,145)**	**34,295**	**3,192**	**(36,199)**	**(36,857)**
Less: Net income attributable to the noncontrolling interest	—	—	(1,273)	—	(1,273)
Add: Preferred stock dividends attributable to the noncontrolling interest	—	—	12	—	12
Less: Preferred stock dividends of subsidiary	—	—	(27)	—	(27)
Net (loss)/income attributable to Navios Holdings common stockholders	**(38,145)**	**34,295**	**1,904**	**(36,199)**	**(38,145)**

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

Income Statement for the three months ended March 31, 2010 (in 000s US$)	Navios Maritime Holdings Inc. Issuer	Other Guarantor Subsidiaries	Non Guarantor Subsidiaries	Eliminations	Total
Revenue	—	118,164	36,205	—	154,369
Time charter, voyage and logistics business expenses	—	(59,635)	(16,866)	—	(76,501)
Direct vessel expenses	—	(9,308)	(10,736)	—	(20,044)
General and administrative expenses	(4,100)	(4,696)	(3,397)	—	(12,193)
Depreciation and amortization	(693)	(18,540)	(5,708)	—	(24,941)
Interest income/expense and finance cost, net	(18,092)	(2,409)	(908)	—	(21,409)
Loss on derivatives	—	(1,838)	—	—	(1,838)
Gain on sale of assets	—	24,383	—	—	24,383
Other income/expense, net	48	(2,328)	(1,519)	—	(3,799)
Income before equity in net earnings of affiliate companies	**(22,837)**	**43,793**	**(2,929)**	—	**18,027**
Income from subsidiaries	49,561	(1,165)	—	(48,396)	—
Equity in net earnings of affiliated companies	4,577	7,007	—	—	11,584
Income before taxes	**31,301**	**49,635**	**(2,929)**	**(48,396)**	**29,611**
Income taxes	—	(74)	842	—	768
Net income	**31,301**	**49,561**	**(2,087)**	**(48,396)**	**30,379**
Less: Net income attributable to the noncontrolling interest	—	—	922	—	922
Net income attributable to Navios Holdings common stockholders	**31,301**	**49,561**	**(1,165)**	**(48,396)**	**31,301**

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

Balance Sheet as at March 31, 2011	Navios Maritime Holdings Inc. Issuer	Other Guarantor Subsidiaries	Non Guarantor Subsidiaries	Eliminations	Total
Current assets					
Cash and cash equivalents	5,739	137,885	36,536	—	180,160
Restricted cash	15,449	3,631	93	—	19,173
Accounts receivable, net	—	50,751	20,952	—	71,703
Intercompany receivables	217,664	318	—	(217,982)	—
Short-term derivative assets	—	1,307	—	—	1,307
Due from affiliate companies	1,300	14,027	—	—	15,327
Prepaid expenses and other current assets	247	20,458	8,810	—	29,515
Total current assets	**240,399**	**228,377**	**66,391**	**(217,982)**	**317,185**
Deposits for vessel acquisitions	—	—	—	—	—
Vessels, port terminal and other fixed assets, net	—	1,541,821	293,941	—	1,835,762
Long-term derivative assets					
Investments in subsidiaries	1,274,741	199,254	—	(1,473,995)	—
Investments in available for sale securities	103,561	—	—	—	103,561
Investment in affiliates	120,089	554	—	—	120,643
Other long-term assets	17,311	31,224	10,334	—	58,869
Long-term asset due from affiliate	12,391	—	—	—	12,391
Goodwill and other intangibles	100,119	150,132	171,289	—	421,540
Total non-current assets	**1,628,212**	**1,922,985**	**475,564**	**(1,473,995)**	**2,552,766**
Total assets	**1,868,611**	**2,151,362**	**541,955**	**(1,691,977)**	**2,869,951**
LIABILITIES AND EQUITY					
Account payable	—	27,257	14,715	—	41,972
Accrued expenses and other current liabilities	20,174	38,866	10,911	—	69,951
Dividend payable	6,100	—	—	—	6,100
Deferred income and cash received in advance	—	22,458	—	—	22,458
Intercompany Payables	—	217,664	318	(217,982)	—
Short-term derivative liability	—	241	—	—	241
Current portion of capital lease obligations	—	—	1,267	—	1,267
Current portion of long-term debt	7,543	46,190	9,674	—	63,407
Total current liabilities	**33,817**	**352,676**	**36,885**	**(217,982)**	**205,396**
Long-term debt, net of current portion	814,013	440,699	116,360	—	1,371,072
Capital lease obligations, net of current portion	—	—	30,692	—	30,692
Other long-term liabilities and deferred income	—	34,222	5,258	—	39,480
Long-term derivative liability	—	118	—	—	118
Unfavorable lease terms	—	49,552	—	—	49,552
Deferred tax liability	—	—	19,944	—	19,944
Total non-current liabilities	**814,013**	**524,591**	**172,254**	**—**	**1,510,858**
Total liabilities	**847,830**	**877,267**	**209,139**	**(217,982)**	**1,716,254**
Noncontrolling interest	—	—	132,916	—	132,916
Total Navios Holdings stockholders' equity	**1,020,781**	**1,274,095**	**199,900**	**(1,473,995)**	**1,020,781**
Total liabilities and stockholders' equity	**1,868,611**	**2,151,362**	**541,955**	**(1,691,977)**	**2,869,951**

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

Balance Sheet as of December 31, 2010	Navios Maritime Holdings Inc. Issuer	Other Guarantor Subsidiaries	Non Guarantor Subsidiaries	Eliminations	Total
Current assets					
Cash and cash equivalents	$ 6,323	$ 100,523	$ 100,564	$ —	$ 207,410
Restricted cash	15,726	3,488	15,576	—	34,790
Accounts receivable, net	—	48,807	21,581	—	70,388
Intercompany receivables	173,796	7,534	—	(181,330)	—
Short-term derivative assets	—	1,420	—	—	1,420
Due from affiliate companies	—	2,603	—	—	2,603
Prepaid expenses and other current assets	164	19,285	13,905	—	33,354
Total current assets	**196,009**	**183,660**	**151,626**	**(181,330)**	**349,965**
Deposits for vessel acquisitions	—	80,834	296,690	—	377,524
Vessels, port terminal and other fixed assets, net	—	1,423,885	825,792	—	2,249,677
Long-term asset due from affiliate	12,391	—	(12,391)	—	—
Restricted cash	—	—	18,787	—	18,787
Long-term derivative assets	—	149	—	—	149
Investments in subsidiaries	1,405,723	197,193	—	(1,602,916)	—
Investments in available for sale securities	99,078	—	—	—	99,078
Investment in affiliates	18,301	394	—	—	18,695
Deferred financing costs, net	13,321	5,547	18,887	—	37,755
Deferred dry dock and special survey costs, net	—	9,966	2,041	—	12,007
Other long-term assets	—	4,933	5,437	—	10,370
Goodwill and other intangibles	100,812	155,838	246,110	—	502,760
Total non-current assets	**1,649,626**	**1,878,739**	**1,401,353**	**(1,602,916)**	**3,326,802**
Total assets	**1,845,635**	**2,062,399**	**1,552,979**	**(1,784,246)**	**3,676,767**
LIABILITIES AND EQUITY					
Current liabilities					
Accounts payable	—	23,450	26,046	—	49,496
Accrued expenses	7,465	36,122	18,830	—	62,417
Deferred income and cash received in advance	—	14,917	2,765	—	17,682
Dividends payable	6,094	—	1,120	—	7,214
Intercompany Payables	—	173,796	7,534	(181,330)	—
Short-term derivative liability	—	245	—	—	245
Capital lease obligations	—	—	1,252	—	1,252
Current portion of long-term debt	7,929	40,111	15,257	—	63,297
Total current liabilities	**21,488**	**288,641**	**72,804**	**(181,330)**	**201,603**
Long-term debt, net of current portion	764,564	426,467	821,582	—	2,012,613
Capital lease obligations, net of current portion	—	—	31,009	—	31,009
Other long-term liabilities and deferred income	—	30,983	5,037	—	36,020
Unfavorable lease terms	—	51,264	5,611	—	56,875
Deferred tax liability	—	—	21,104	—	21,104
Total non-current liabilities	**764,564**	**508,714**	**884,343**	—	**2,157,621**
Total liabilities	**786,052**	**797,355**	**957,147**	**(181,330)**	**2,359,224**
Noncontrolling interest	—	—	257,960	—	257,960
Total Navios Holdings stockholders' equity	**1,059,583**	**1,265,044**	**337,872**	**(1,602,916)**	**1,059,583**
Total liabilities and stockholders' equity	**$ 1,845,635**	**$ 2,062,399**	**$ 1,552,979**	**$ (1,784,246)**	**$ 3,676,767**

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

Cash flow statement for the three months ended March 31, 2011	Navios Maritime Holdings Inc. Issuer	Other Guarantor Subsidiaries	Non Guarantor Subsidiaries	Eliminations	Total
Net cash (used in)/provided by operating activities	**$ (34,449)**	**$ 68,505**	**$ 20,877**	**$ —**	**$ 54,933**
Cash flows from investing activities					
Acquisition of vessels	—	(51,526)	(4,533)	—	(56,059)
Proceeds from sale of assets	—	—	—	—	—
Restricted cash for investing activities	—	—	778	—	778
Deposits for vessel acquisitions	—	—	(2,995)	—	(2,995)
Purchase of property and equipment	—	(48)	(2,817)	—	(2,865)
Cash forgone due to change in control	—	—	(72,425)	—	(72,425)
Dividends from affiliates/associates	1,300	—	(1,300)	—	—
Net cash provided by/(used in) investing activities	**1,300**	**(51,574)**	**(83,292)**	**—**	**(133,566)**
Cash flows from financing activities					
Issuance of common stock	368	—	—	—	368
Proceeds from long-term loan, net of deferred finance fees	—	33,000	2,747	—	35,747
Repayment of long-term debt and payment of principal	(302,272)	(12,687)	(2,286)	—	(317,245)
Proceeds from issuance of Senior Notes, net of deferred finance fees	340,981	—	—	—	340,981
Dividends paid	(6,512)	—	(1,147)	—	(7,659)
Dividends to noncontrolling shareholders					
Increase in restricted cash	—	118	(625)	—	(507)
Payments of obligations under capital leases	—	—	(302)	—	(302)
	32,565	**20,431**	**(1,613)**	**—**	**51,383**
Net increase (decrease) in cash and cash equivalents	**(584)**	**37,362**	**(64,028)**	**—**	**(27,250)**
Cash and cash equivalents, at beginning of period	6,323	100,523	100,564	—	207,410
Cash and cash equivalents, at end of period	**$ 5,739**	**$ 137,885**	**$ 36,536**	**$ —**	**$ 180,160**

Cash flow statement for the three months ended March 31, 2010	Navios Maritime Holdings Inc. Issuer	Other Guarantor Subsidiaries	Non Guarantor Subsidiaries	Eliminations	Total
Net cash provided by/(used in) operating activities	**$ 31,606**	**$ (7,601)**	**$ 27**	**$**	**$ 24,032**
Cash flows from investing activities					
Proceeds from sale of assets	—	153,000	—	—	153,000
Restricted cash for investing activities	(26,641)		—	—	(26,641)
Deposits for vessel acquisitions	—	(64,736)	—	—	(64,736)
Receipts from finance lease	—	142	—	—	142
Purchase of property and equipment	—	(160)	(2,869)	—	(3,029)
Net cash provided by/(used in) investing activities	**(26,641)**	**88,246**	**(2,869)**	**—**	**(58,736)**
Cash flows from financing activities					
Proceeds from long-term loan, net of deferred finance fees	9,350	32,310	(232)	—	41,428
Repayment of long-term debt and payment of principal	(1,617)	(73,512)	(3,452)	—	(78,581)
Dividends paid	(7,034)	—	—	—	(7,034)
Dividends to noncontroling shareholders	—	—	(469)		(469)
Increase in restricted cash	(1,125)	—	—	—	(1,125)
	(426)	**(41,202)**	**(4,153)**	**—**	**(45,781)**
Net increase (decrease) in cash and cash equivalents	**4,539**	**39,443**	**(6,995)**	**—**	**36,987**
Cash and cash equivalents, at beginning of period	115,535	31,471	26,927	—	173,933
Cash and cash equivalents, at end of period	**$ 120,074**	**$ 70,914**	**$ 19,932**	**$ —**	**$ 210,920**

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

NOTE 16: SUBSEQUENT EVENTS

(a) On May 19, 2011, Navios Holdings sold the Navios Luz, a 2010 built Capesize vessel of 179,144 dwt, and the Navios Orbiter, a 2004 built Panamax vessel of 76,602 dwt, to Navios Maritime Partners L.P. ("Navios Partners") for a total consideration of $130,000, of which $120,000 is payable in cash and $10,000 is payable in newly issued common units of Navios Partners. A portion of the cash proceeds amounting to $57,717 was used to fully repay the outstanding loans associated with the vessels.

(b) On May 17, 2011, the Board of Directors of Navios Holdings declared a dividend of $0.06 per share of common stock, which will be paid on July 7, 2011 to stockholders of record on June 15, 2011.

(c) On May 11, 2011, Navios Holdings received $6,186 as a dividend distribution from its affiliate Navios Partners.

(d) On May 9, 2011, Navios Holdings drew down an amount of $18,850 from its revolving credit facility of up to $30,000 with Marfin Popular Bank to partially finance the acquisition of Navios Astra, which was delivered to Navios Holdings on February 21, 2011.

(e) On May 2, 2011, the Board of Directors of Navios Acquisition declared a quarterly cash dividend in respect of the first quarter of 2011 of $0.05 per common share payable on July 6, 2011 to stockholders of record as of June 15, 2011.

(f) On April 15, 2011, Navios Logistics using the proceeds of the Logistics Senior Notes, paid $8,700 for the acquisition and upgrading of two pushboats named William Hank and Lonny Fugate and, on May 2, 2011, Navios Logistics paid $600, representing a deposit on the purchase price, for the acquisition of the pushboat WW Dyer.

(g) On April 13, 2011, Navios Partners completed a public offering of 4,600,000 common units, which included the full exercise of the underwriters' over-allotment option, at $19.68 per unit, raising gross proceeds of approximately $90,528. Following the offering and the issuance of common units in connection with the sale of the Navios Luz and the Navios Orbiter, Navios Holdings' interest in Navios Partners is 27.1% (including the 2% GP interest).

(h) On April 12, 2011, Navios Logistics issued $200,000 in senior unsecured notes (the "Logistics Senior Notes") due on April 15, 2019, at a fixed rate of 9.25%. The net proceeds from the Logistics Senior Notes were approximately $194,000, after deducting related fees and estimated expenses, and will be used to (i) purchase barges and pushboats, (ii) repay existing indebtedness, and (iii) to the extent available, for general corporate purposes. On April 12, 2011, Navios Logistics, using the proceeds from the Logistics Senior Notes, fully repaid its $70,000 loan facility with Marfin Popular Bank.

Table of Contents

SIGNATURES

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

NAVIOS MARITIME HOLDINGS INC.

By: /s/ Angeliki Frangou
Angeliki Frangou
Chief Executive Officer
Date: May 25, 2011

EXHIBIT INDEX

Exhibit No.	Exhibit
4.1	The Indenture, dated April 12, 2011, among Navios South American Logistics Inc., Navios Logistics Finance (US) Inc., the Guarantors named therein, and Wells Fargo Bank, National Association, as trustee.
10.1	The Registration Rights Agreement, dated April 12, 2011, among Navios South American Logistics Inc., Navios Logistics Finance (US) Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, and S. Goldman Advisors LLC.
10.2	Supplemental Agreement No. 2, dated May 6, 2011, relating to a Loan Agreement, dated October 23, 2009, as amended, in respect of a revolving credit facility of up to $110,000,000.
10.3	The Administrative Services Agreement, dated April 12, 2011, between Navios South American Logistics Inc. and Navios Maritime Holdings Inc.
10.4	Letter of Amendment No. 1, dated October 21, 2010, to the Loan Agreement, dated September 7, 2010, between Navios Maritime Acquisition Corporation and Navios Maritime Holdings Inc.
99.1	Navios South American Logistics Inc. Operating and Financial Review and Prospects and Condensed Consolidated Financial Statements for the three month period ended March 31, 2011.*

* Furnished solely in connection with Navios Logistics' reporting obligations under the Indenture governing the Logistics Senior Notes.

Exhibit 4.1

NAVIOS SOUTH AMERICAN LOGISTICS INC.

and

NAVIOS LOGISTICS FINANCE (US) INC.,
as Co-Issuers

the GUARANTORS party hereto,
as Guarantors,

and

WELLS FARGO BANK,
NATIONAL ASSOCIATION,
as Trustee

INDENTURE

Dated as of April 12, 2011

---

9 1/4% Senior Notes due 2019

CROSS-REFERENCE TABLE

Trust Indenture Act Section	Indenture Section
310 (a)(1)	7.10
(a)(2)	7.10
(a)(3)	7.10
(a)(4)	N.A.
(a)(5)	7.08; 7.10
(b)	7.03; 7.08; 7.10; 11.02
(c)	N.A.
311 (a)	7.03; 7.11
(b)	7.03; 7.11
(c)	N.A.
312 (a)	2.05
(b)	11.03
(c)	11.03
313 (a)	7.06
(b)(1)	7.06
(b)(2)	7.06
(c)	7.06; 11.02
(d)	7.06
314 (a)	4.06; 4.17; 11.02
(b)	N.A.
(c)(1)	7.02; 11.04; 11.05
(c)(2)	7.02; 11.04; 11.05
(c)(3)	N.A.
(d)	N.A.
(e)	11.05
(f)	N.A.
315 (a)	7.01(b); 7.02(a)
(b)	7.05; 11.02
(c)	7.01
(d)	6.05; 7.01(c)
(e)	6.11
316 (a)(last sentence)	2.09
(a)(1)(A)	6.05
(a)(1)(B)	6.04
(a)(2)	9.02
(b)	6.07
(c)	9.04
317 (a)(1)	6.08
(a)(2)	6.09
(b)	2.04
318 (a)	11.01
(c)	11.01

N.A. means Not Applicable

Note: This Cross-Reference Table shall not, for any purpose, be deemed to be a part of this Indenture.

TABLE OF CONTENTS

Note: This Table of Contents shall not, for any purpose, be deemed to be part of this Indenture.

INDENTURE dated as of April 12, 2011 among Navios South American Logistics Inc., a Marshall Islands corporation, as issuer (" **Navios**" or the "**Company**") and Navios Logistics Finance (US) Inc., a Delaware corporation, as co-issuers (" **Logistics Finance**", with the Company and Logistics Finance being referred to herein individually as a "**Co-Issuer**" and collectively as "**Co-Issuers**"), each of the Guarantors named herein, as Guarantors, and Wells Fargo Bank, National Association, a national banking association, as Trustee (the "**Trustee**").

The Co-Issuers have duly authorized the creation of an issue of 9 1/4% Senior Notes due 2019 and, to provide therefor, the Co-Issuers and the Guarantors have duly authorized the execution and delivery of this Indenture. All things necessary to make the Notes, when duly issued and executed by the Co-Issuers and authenticated and delivered hereunder, the valid and binding, joint and several, obligations of the Co-Issuers and to make this Indenture a valid and binding agreement of the Co-Issuers and the Guarantors have been done.

For and in consideration of the premises and the purchase of the Notes by the Holders thereof, the parties hereto covenant and agree, for the equal and proportionate benefit of all Holders, as follows:

ARTICLE ONE

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01. Definitions.

Set forth below are certain defined terms used in this Indenture.

"**Acquired Debt**" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or becomes a Restricted Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary of, such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"**Additional Interest**" means (i) "Additional Interest" as defined in the Registration Rights Agreement with respect to the Notes issued on the Issue Date and (ii) "Special Interest," "Additional Interest," "Liquidated Damages" or any similar term as such term is defined in any registration rights agreement with respect to Additional Notes issued after the Issue Date.

"**Administrative Services Agreement**" means the Administrative Services Agreement dated on or about the Issue Date between the Company and Navios Holdings, as such

agreement may be amended, modified, supplemented, replaced, extended or renewed from time to time in compliance with Section 4.14(b)(7).

"**Affiliate**" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" have correlative meanings.

"**Agent**" means any Registrar or Paying Agent.

"**Applicable Premium**" means, with respect to a Note at any time, the greater of (1) 1.0% of the principal amount of such Note at such time and (2) the excess of (A) the present value at such time of (i) the redemption price of such Note at April 15, 2014 plus (ii) all remaining interest payments due on such Note through and including April 15, 2014 (excluding any interest accrued to the Make-Whole Redemption Date), discounted on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) from April 15, 2014 to the Make-Whole Redemption Date, computed using a discount rate equal to the Applicable Treasury Rate plus 0.50%, over (B) the principal amount of such Note on the Make-Whole Redemption Date.

"**Applicable Treasury Rate**" for any Redemption Date, means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) that has become publicly available at least two Business Days prior to the Make-Whole Redemption Date of such Note (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the Make-Whole Redemption Date to April 15, 2014; *provided*, *however*, that if the period from the Make-Whole Redemption Date to April 15, 2014 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Applicable Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given except that if the period from the Make-Whole Redemption Date to April 15, 2014 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"**Appraised Value**" means the fair market sale value as of a specified date of a specified Vessel that would be obtained in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined by an Independent Appraiser selected by the Company and, in the event such Independent Appraiser is not a Designated Appraiser, reasonably acceptable to the Trustee.

"**Asset Sale**" means:

(1) the sale, lease, conveyance or other disposition of any assets; *provided* that the sale, conveyance or other disposition of all or substantially all of the assets of the Co-Issuers and their Restricted Subsidiaries taken as a whole shall be governed by the provisions of Sections 4.09 and/or 5.01 and not by the provisions of Section 4.13; and

(2) the issuance by any of the Company's Restricted Subsidiaries of any Equity Interest of such Restricted Subsidiary or the sale by the Company or any Restricted Subsidiary of Equity Interests in any Restricted Subsidiaries (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Company or any of its Subsidiaries).

Notwithstanding the preceding, none of the following items shall be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than $5.0 million;

(2) a sale, lease, conveyance, transfer or other disposition of assets between or among the Company and/or its Restricted Subsidiaries;

(3) an issuance, sale, transfer or other disposition of Equity Interests by a Restricted Subsidiary of the Company to the Company or to another Restricted Subsidiary of the Company;

(4) the sale or other disposition of damaged, worn-out or obsolete assets;

(5) the sale or other disposition of cash or Cash Equivalents;

(6) (i) a Restricted Payment that does not violate Section 4.11 or a Permitted Investment; and (ii) any issuance, sale, transfer or other disposition of Capital Stock of an Unrestricted Subsidiary;

(7) sales of accounts receivable and inventory (other than Vessels and Related Assets) in the ordinary course of business for cash or Cash Equivalents and any charter-out of a Vessel or contract of affreightment entered into in the ordinary course of business;

(8) a Permitted Asset Swap;

(9) sales and/or contributions of Securitization Assets to a Securitization Subsidiary in a Qualified Securitization Transaction for the Fair Market Value thereof including cash in an amount at least equal to 75% of the Fair Market Value thereof (for the purposes of this clause (9), Purchase Money Notes shall be deemed to be cash); and

(10) any transfer of Securitization Assets or a fractional undivided interest therein, by a Securitization Subsidiary in a Qualified Securitization Transaction.

"**Attributable Indebtedness**" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate equal to the rate implicit in such transaction for the relevant lease period, determined in accordance with GAAP) of the total obligations of the lessee for net rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended); *provided*, *however*, that if such Sale/Leaseback Transaction results in a Capital Lease Obligation, the amount of Indebtedness required thereby shall be determined in accordance with the definition of "Capital Lease Obligation."

"**Bankruptcy Law**" means Title 11 of the United States Code, as amended, or any applicable United States federal, state or foreign law for the relief of debtors, or bankruptcy, insolvency, reorganization or other similar law.

"**Beneficial Owner**" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" shall be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time; *provided* that, notwithstanding the foregoing, the holders of the Company's warrants outstanding on the Issue Date shall not be deemed to beneficially own the underlying shares until such warrants have been exercised. The terms " **Beneficially Owns**," "**Beneficially Owned**" and "**Beneficial Ownership**" shall have correlative meanings.

"**Board of Directors**" means:

(1) with respect to a corporation, the board of directors of the corporation or, other than for purposes of the definition of "Change of Control," any committee thereof duly authorized to act on behalf of such board; and

(2) with respect to any other Person, the functional equivalent of a board of directors of a corporation or, other than for purposes of the definition of "Change of Control," any committee thereof duly authorized to act on behalf thereof.

"**Board Resolution**" means with respect to any Person, a copy of a resolution certified by the Secretary or an Assistant Secretary (or individual with similar authority) of such Person, to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which banking institutions in New York, the location of the office of the Paying Agent or the location of the Corporate Trust Office of the Trustee are authorized or required by law to close.

"**Capital Lease Obligation**" means, at the time of determination, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet in accordance with GAAP.

"**Capital Stock**" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) in the equity of such association or entity;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"**Cash Equivalents**" means:

(1) United States dollars or Euro or other currency of a member of the Organization for Economic Cooperation and Development (including such currencies as are held as overnight bank deposits and demand deposits with banks);

(2) securities issued or directly and fully guaranteed or insured by the government of the United States or any Member State of the European Union or any other country whose sovereign debt has a rating of at least A3 from Moody's and at least A- from S&P or any agency or instrumentality thereof having maturities of not more than one year from the date of acquisition;

(3) demand and time deposits and eurodollar time deposits and certificates of deposit or bankers' acceptances with maturities of one year or less from the date of acquisition, in each case, with any financial institution organized under the laws of any country that is a member of the Organization for Economic Cooperation and Development having capital and surplus and undivided profits in excess of US$500.0 million;

(4) repurchase obligations with a term of not more than 60 days for underlying securities of the types described in clause (2) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper and variable or fixed rate notes rated P-1 or higher by Moody's or A-1 or higher by S&P and, in each case, maturing within one year after the date of acquisition;

(6) local currency held by the Company or any of its Restricted Subsidiaries from time to time in the ordinary course of business; and

(7) money market funds that invest primarily in Cash Equivalents of the kinds described in clauses (1) through (6) of this definition.

"**Change of Control**" means the occurrence of any of the following events:

(1) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, is or becomes the Beneficial Owner, directly or indirectly, of Voting Stock representing more than 50% of the voting power of the total outstanding Voting Stock of the Company;

(2) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors (together with any new directors whose election to such Board of Directors or whose nomination for election by the stockholders of the Company was approved by a vote of the majority of the directors of the Company then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of the Company;

(3) (a) all or substantially all of the assets of the Company and the Restricted Subsidiaries are sold or otherwise transferred to any Person other than a Wholly Owned Restricted Subsidiary or one or more Permitted Holders or (b) the Company consolidates or merges with or into another Person or any Person consolidates or merges with or into the Company, in either case under this clause (3), in one transaction or a series of related transactions in which immediately after the consummation thereof Persons Beneficially Owning, directly or indirectly, Voting Stock representing in the aggregate a majority of the total voting power of the Voting Stock of the Company immediately prior to such consummation do not Beneficially Own, directly or indirectly, Voting Stock representing a majority of the total voting power of the Voting Stock of the Company or the surviving or transferee Person; or

(4) the Company shall adopt a plan of liquidation or dissolution or any such plan shall be approved by the stockholders of the Company.

"**Consolidated Cash Flow**" means, for any period, for any Person, an amount determined for such Person and its Restricted Subsidiaries on a consolidated basis equal to:

(1) Consolidated Net Income for such period; *plus*

(2) the sum, without duplication, of the amounts for such Person and its Restricted Subsidiaries for such period (in each case to the extent reducing such Consolidated Net Income) of:

(a) Fixed Charges;

(b) provision for taxes based on income;

(c) total depreciation expenses;

(d) total amortization expenses (including, without limitation, the amortization of capitalized drydocking expenses);

(e) other non-cash items reducing such Consolidated Net Income (excluding any such non-cash item to the extent that it represents an accrual or reserve for potential cash items in any future period or amortization of a prepaid cash item that was paid in a prior period); and

(f) to the extent any Attributable Indebtedness is outstanding and is not a Capital Lease Obligation, the amount of any payments therefor less the amount of interest implicit in such payments; *minus*

(3) the amount for such period (to the extent increasing such Consolidated Net Income) of non-cash items increasing such Consolidated Net Income (other than any such non-cash item to the extent it represents the reversal of an accrual or reserve for potential cash items in any prior period);

provided that the items listed in clauses (2)(a) through (f) for a Restricted Subsidiary shall be included in Consolidated Cash Flow only to the extent (and in the same proportion) that the net income of such Subsidiary was included in calculating Consolidated Net Income for such period.

"**Consolidated Net Income**" means, for any period, the net income (or net loss) of the Company and its Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP, adjusted to the extent included in calculating such net income or loss by excluding (without duplication):

(1) any net after-tax extraordinary or nonrecurring gains or losses (less all fees and expenses relating thereto);

(2) any net after-tax gains or losses (less all fees and expenses relating thereto) attributable to Asset Sales or dispositions of securities;

(3) the portion of net income (or loss) of any Person (other than the Company or a Restricted Subsidiary) in which the Company or any Restricted Subsidiary has an ownership interest, except to the extent of the amount of dividends or other distributions actually paid to the Company or any Restricted Subsidiary in cash during such period;

(4) the net income (but not the net loss) of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary is at the date of determination restricted, directly or indirectly, except to the extent that such net income is actually, or is permitted to be, paid to the Company or a Restricted Subsidiary thereof by loans, advances, intercompany transfers, principal repayments or otherwise; *provided* that with respect to a Guarantor or a Securitization Subsidiary this clause (4) shall be applicable solely for purpose of calculating Consolidated Net Income to determine the amount of Restricted Payments permitted under Section 4.11;

(5) any non-cash expenses or charges resulting from stock, stock option or other equity-based awards;

(6) the cumulative effect of a change in accounting principles;

(7) any impairment charge or asset write-off or write-down, in each case, pursuant to GAAP, and the amortization of intangibles arising pursuant to GAAP;

(8) the net after-tax effects of adjustments in the inventory, property and equipment, goodwill, intangible assets, deferred revenue and debt line items in such Person's consolidated financial statements pursuant to GAAP resulting from the application of purchase accounting or the amortization or write-off of any amounts thereof; and

(9) any fees and expenses incurred during such period, or any amortization thereof for such period, in connection with any acquisition, Investment, Asset Sale, issuance or repayment of Indebtedness, issuance of Equity Interests, refinancing transaction or amendment or modification of any debt instrument (including without limitation any such transaction undertaken but not completed);

provided, *however*, that (x) Consolidated Net Income shall be reduced by the amount of all dividends on Designated Preferred Stock (other than dividends paid in Qualified Equity Interests) paid, accrued or scheduled to be paid or accrued during such period and (y) Consolidated Net Income will be calculated without deducting the income attributed to, or adding the losses attributed to, the minority equity interests of third parties in any non-Wholly Owned Restricted Subsidiary that is a Guarantor except to the extent of the dividends paid in cash (or convertible to cash) during such period on the shares of Capital Stock of such Restricted Subsidiary held by such third parties.

"**Construction Contract**" means any contract for the construction (or construction and acquisition) of a Vessel or any Related Assets entered into by the Company or any Restricted Subsidiary, including any amendments, supplements or modifications thereto or change orders in respect thereof.

"**Corporate Trust Office**" means the corporate trust office of the Trustee located at 45 Broadway, 14th Floor, New York, New York, 10006, Corporate Trust Services, administrator for Navios South American Logistics Inc., or such other office, designated by the Trustee by written notice to the Co-Issuers, at which at any particular time its corporate trust business shall be principally administered.

"**Credit Agreement**" means that certain Facility Agreement to be entered into following the Issue Date among the Company and/or one or more Subsidiaries of the Company, as borrower, and Marfin Popular Bank Public Co. Ltd, as lender, as described in the Offering Memorandum including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, and in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon termination or otherwise), increased or refinanced (including by means of sales of debt securities to institutional investors) including by means of a Qualified Securitization Transaction in whole or in part from time to time (and without limitation as to amount, terms, conditions, covenants and other provisions, including increasing the amount of available borrowings thereunder, changing or replacing agent banks and lenders thereunder or adding, removing or reclassifying Subsidiaries of the Company as borrowers or guarantors thereunder).

"**Credit Facilities**" means one or more debt facilities or agreements (including, without limitation, the Credit Agreement) or commercial paper facilities, in each case, with banks, other institutional lenders, commercial finance companies or other lenders providing for revolving credit loans, term loans, bonds, debentures, securitization financing (including through the transfer of Securitization Assets to special purpose entities formed to borrow from such lenders against, or sell undivided interests in, such assets in a Qualified Securitization Transaction) or letters of credit, pursuant to agreements or indentures, in each case, as amended, restated, modified, renewed, refunded, replaced, increased or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time (and without limitation as to amount, terms, conditions, covenants and other provisions, including increasing the amount of available borrowings thereunder, changing or replacing agent banks and lenders thereunder or adding, removing or reclassifying the Co-Issuers and/or Subsidiaries of the Company as borrowers or guarantors thereunder).

"**Custodian**" means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

"**Default**" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"**Depository**" means, with respect to the Global Notes, The Depository Trust Company, New York, New York, its nominees and any and all successors thereto appointed as depository hereunder and having become such pursuant to the applicable provisions of this Indenture.

"**Designated Appraiser**" means any of Fearnleys A.S., Oslo Shipbrokers A.S., Clarkson Valuations Limited, Simpson Spence & Young Shipbrokers Ltd., E.A. Gibson Shipbrokers Ltd., Jacq. Pierot Jr. & Sons, Allied Shipbroking, Greece, RS Platou ASA, ICAP Shipping Limited, ACM Ltd., London, Island Shipbrokers PTE LTD, Singapore, English White Shipping LTD of London, Booth Shipping Co. Ltd of the United Kingdom, Maritime Management Solutions of Panama City and Deloitte LLP, Ernst & Young LLP and KPMG LLP; *provided* that, at the time any such firm is to be utilized, such firm would qualify as an Independent Appraiser.

"**Designated Non-cash Consideration**" means the Fair Market Value of non-cash consideration received by the Company or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officers' Certificate setting forth the basis of such valuation executed by an authorized Officer of the Company, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

"**Designated Preferred Stock**" means preferred stock of the Company (other than Disqualified Stock) issued and sold for cash in a bona-fide financing transaction that is designated as Designated Preferred Stock pursuant to an Officers' Certificate on the issuance date thereof, the net cash proceeds of which are excluded from the calculation of Restricted Payments for purposes of Section 4.11(a)(3) and are not used for purposes of Section 4.11(a)(3)(B).

"**Disqualified Stock**" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the date on which the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the issuer thereof to repurchase or redeem such Capital Stock upon the occurrence of a change of control or an asset sale prior to the stated maturity of the Notes shall not constitute Disqualified Stock. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of this Indenture shall be the maximum amount that the Company and its Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock.

"**Eligible Jurisdiction**" means any of the Republic of the Marshall Islands, the United States of America, any State of the United States or the District of Columbia, the Commonwealth of the Bahamas, the Republic of Liberia, the Republic of Panama, the Commonwealth of Bermuda, the British Virgin Islands, the Cayman Islands, the Isle of Man, Cyprus, Norway, Greece, Hong Kong, the United Kingdom, Malta, Uruguay, Brazil, Bolivia, Paraguay, Argentina, any Member State of the European Union and any other jurisdiction generally acceptable to institutional lenders in the shipping industry, as determined in good faith by the Board of Directors.

"**Equity Interests**" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"**Equity Offering**" means any issuance and sale by the Company of its Qualified Equity Interests.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto and, in each case, the rules and regulations promulgated by the SEC thereunder.

"**Exchange Offer**" means an offer that may be made by the Co-Issuers pursuant to the Registration Rights Agreement to exchange Notes bearing the Private Placement Legend for the Exchange Securities and/or Private Exchange Securities.

"**Exchange Securities**" has the meaning set forth in the Registration Rights Agreement.

"**Exercised Purchase Option Contract**" means any Purchase Option Contract which has been exercised by the Company or a Restricted Subsidiary, obligating the Company or such Restricted Subsidiary to purchase such Vessel or any Related Assets, subject only to customary conditions precedent.

"**Existing Indebtedness**" means Indebtedness of the Company and its Subsidiaries in existence on the Issue Date after giving effect to the issuance of the notes on the

Issue Date and the use of proceeds therefrom, including the amount of undrawn commitments under any Credit Facilities (including the Credit Agreement) in existence on the Issue Date and described in the offering memorandum, but excluding Indebtedness and undrawn commitments under the Navios Holdings Loan Facility.

"**Fair Market Value**" means, with respect to any asset or property, the value that would be paid by a willing buyer to an unaffiliated willing seller in an arm's-length transaction not involving distress or necessity of either party. Fair Market Value shall be determined in good faith by (i) if the value of such property or asset is less than $25.0 million, an officer of the Company and evidenced by an Officers' Certificate delivered to the Trustee and (ii) if the value of such property or asset equals or exceeds $25.0 million, the Board of Directors of the Company; *provided, however*, that (x) if such determination is with respect to one or more Vessels with a value that equals or exceeds $25.0 million (as determined by the Company in good faith), Fair Market Value shall be (I) based on the Appraised Value of such Vessel and (II) shall be the greater of such Vessel's "charter-free" and "charter-adjusted" values and (y) if such determination relates to the determination by the Company of compliance with clause (7) of the definition of "Permitted Liens," such determination shall comply with clause (x) to the extent such determination relates to one or more Vessels and in all other cases such determination shall be based on the written opinion of an independent investment banking firm of international standing qualified to perform the task for which such firm has been engaged (as determined by the Company in good faith). The determination of Fair Market Value hereunder shall be made as of the relevant date of determination of compliance with the applicable covenant or covenants set forth therein or, if earlier, the date on which the Company or a Restricted Subsidiary shall have become contractually obligated to consummate the transaction requiring such determination.

"**Fixed Charge Coverage Ratio**" means with respect to any specified Person for any period, the ratio of the Consolidated Cash Flow of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made occurred (the "**Calculation Date**"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions (including of Vessels and Related Assets including, without limitation, chartered-in Vessels) that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, of any other Person or any of its Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including any related financing transactions and any prior acquisitions

by such other Person to the extent not fully reflected in the historical results of operations of such other Person, and including increases in ownership of Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date shall be given pro forma effect as if they had occurred on the first day of the four-quarter reference period;

(2) the Consolidated Cash Flow attributable to operations (including Vessels and Related Assets) or businesses (and ownership interests therein) disposed of prior to the Calculation Date, shall be excluded;

(3) the Fixed Charges attributable to operations (including Vessels and Related Assets) or businesses (and ownership interests therein) disposed of prior to the Calculation Date shall be excluded, but only to the extent that the obligations giving rise to such Fixed Charges shall not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date (or would become a Restricted Subsidiary on such Calculation Date in connection with the transaction requiring determination of such Consolidated Cash Flow) shall be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date (or would cease to be a Restricted Subsidiary on such Calculation Date in connection with the transaction requiring determination of such Consolidated Cash Flow) shall be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period;

(6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness shall be calculated at the actual rate that was in effect from time to time (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months);

(7) if the Company or any Restricted Subsidiary shall have entered into an agreement to acquire a Vessel which at the time of calculation of the Fixed Charge Coverage Ratio is being constructed on behalf of the Company or such Restricted Subsidiary, then (a) if such Vessel is one of the 63 Vessels identified in the Offering Memorandum to be acquired with the proceeds of the Notes offering (an "Identified Pending Vessel"), pro forma effect will be given to the extent provided in the next paragraph below or (b) if such Vessel is not an Identified Pending Vessel (an "Other Pending Vessel") but (i) is scheduled to be delivered no later than 24 months (or 48 months in a case of a Vessel that is to be utilized in the Company's cabotage business (a "Cabotage Vessel")) from the date of such calculation of the Fixed Charge Coverage Ratio and (ii) has been chartered out to a third party that is not an Affiliate of the Company pursuant to either a bona fide time charter entered into on customary terms for time charters at the time (as determined in good faith by the Company) or a bona fide contract of affreightment entered into on customary terms for such agreements at the time (as determined in good faith by the Company) and in each case, which is binding on such

third party and which has a fixed duration of not less than three years (or ten years in the case of a Cabotage Vessel) (each such Vessel that meets the requirement of prongs (i) and (ii) of this clause (7), a "Qualified Other Pending Vessel"), pro forma effect will be given to the extent provided in the next paragraph below; and

(8) if the Company or any Restricted Subsidiary shall have entered into an agreement to acquire a Related Asset in connection with the expansion of its port business which at the time of calculation of the Fixed Charge Coverage Ratio is being constructed on behalf of the Company or such Restricted Subsidiary and is scheduled to be completed no later than 36 months from the date of such calculation of the Fixed Charge Coverage Ratio and is the subject of a agreement with a third party that is not an Affiliate of the Company entered on customary terms for such agreements (as determined in good faith by the Company), which is binding on such third party and which has a fixed duration of not less than three years (each such Related Asset that meets the requirements of this clause (8), a "Qualified Related Asset"), pro forma effect will be given to the extent provided for in the next paragraph.

For purposes of this definition, whenever pro forma effect is to be given to an acquisition (including, without limitation, the charter-in of a Vessel) or construction of a Vessel or the Capital Stock of a Person that owns, or charters in, one or more Vessels or the financing thereof, such Person may (i) other than in the case of an Other Pending Vessel, if a relevant Vessel is to be subject to a time charter-out or a contract of affreightment with a remaining term of twelve months or longer, apply for the period for which the Fixed Charge or contract of affreightment Coverage Ratio is being calculated pro forma earnings (losses) for such Vessel based upon such charter-out or a contract of affreightment (in the case of an Identified Pending Vessel, such pro forma earnings (losses) shall be the Proportionate Amount of the pro forma earnings (losses) for such Identified Pending Vessel utilizing the methodology set forth in this clause (i)), (ii) other than in the case of an Other Pending Vessel, if a relevant Vessel is to be subject to a time charter-out or a contract of affreightment with a remaining term of between six and twelve months, apply for the period for which the Fixed Charge Coverage Ratio is being calculated the annualized amount of pro forma earnings (losses) for such Vessel based upon such charter-out or contract of affreightment (in the case of an Identified Pending Vessel, such pro forma earnings (losses) shall be the Proportionate Amount of the pro forma earnings (losses) for such Identified Pending Vessel utilizing the methodology set forth in this clause (ii)), (iii) other than in the case of an Other Pending Vessel, if a relevant Vessel is not to be subject to a time charter-out or a contract of affreightment is under time charter-out or is subject to a contract of affreightment that is due to expire in six months or less or is to be subject to charter on a voyage charter basis (whether or not any such charter is in place for such Vessel or is to be operated by the Company or any Restricted Subsidiary), then in each case apply for the period for which the Fixed Charge Coverage Ratio is being calculated earnings (losses) for such Vessel based upon the average of the historical earnings of comparable Vessels in such Person's fleet in the most recent four quarter period (as determined in good faith by the chief financial officer of the Company) or if there is no such comparable Vessel, then based upon industry average earnings for comparable Vessels (as determined in good faith by the chief financial officer of the Company) (in the case of an Identified Pending Vessel, such pro forma earnings (losses) shall be the Proportionate Amount of the pro forma earnings (losses) for such Identified Pending Vessel utilizing the methodology set forth in this clause (iii)) or (iv) if such Vessel is a Qualified Other

Pending Vessel described in clause (7)(b) of the immediately preceding paragraph, include, to the extent that such Qualified Other Pending Vessel has not been delivered to the Company or a Restricted Subsidiary or if so delivered has not been deployed for the entire period for which the Fixed Charge Coverage Ratio is being calculated, for such period (or the portion of such period during which such Qualified Other Pending Vessel was not deployed if such Qualified Other Pending Vessel has been deployed but not for the entire period) the Proportionate Amount of the pro forma earnings (losses) for such Qualified Other Pending Vessel based upon the contractual terms of such Vessel's charter-out agreement or contract of affreightment applicable to the first twelve months following scheduled delivery of such Qualified Other Pending Vessel (or the ratable amount of such Proportionate Amount of earnings (losses) to the extent the Qualified Other Pending Vessel has been deployed but for less then the entire period (with the actual earnings of such Qualified Other Pending Vessel being given effect to for the period deployed to the extent otherwise included in the calculation of Consolidated Cash Flow)). For purposes of this definition, whenever pro forma effect is to be given to the acquisition of a Qualified Related Asset described in clause (8) of the immediately preceding paragraph include, to the extent that such Qualified Related Asset has not been delivered to the Company or a Restricted Subsidiary or if so delivered has not been employed for the entire period for which the Fixed Charge Coverage Ratio is being calculated, for such period (or the portion of such period during which such Qualified Related Asset was not employed if such Qualified Related Asset has been employed but not for the entire period) the Proportionate Amount of the pro forma earnings (losses) for such Qualified Related Asset based upon the contractual terms of such Qualified Related Asset's related third party agreement applicable to the first twelve months following scheduled acquisition of such Qualified Related Asset (or the ratable amount of such Proportionate Amount of earnings (losses) to the extent the Qualified Related Asset has been employed but for less then the entire period (with the actual earnings of such Qualified Related Asset being given effect to for the period deployed to the extent otherwise included in the calculation of Consolidated Cash Flow)). As used herein, "Proportionate Amount of earnings (losses)" means the product of the earnings (losses) referred to above and the percentage of the aggregate purchase price for such Vessel or Qualified Related Assets, as the case may be, that has been paid as of the relevant date of the determination of the Fixed Charge Coverage Ratio.

Additionally, any pro forma calculations may include the reduction or increase in costs for the applicable period resulting from, or in connection with, the acquisition of assets, an asset sale or other transaction or event which is being given pro forma effect that (a) would be permitted to be reflected on pro forma financial statements pursuant to Regulation S-X under the Securities Act or (b) have been realized at the time such pro forma calculation is made or are reasonably expected to be realized within twelve months following the consummation of the transaction to which such pro forma calculations relate, which actions shall be certified by the chief financial officer of the Company; *provided* that, in the case of adjustments pursuant to this clause (b), such adjustments shall be set forth in a certificate signed by the Company's chief financial officer which states in detail (i) the amount of such adjustment or adjustments and (ii) that such adjustment or adjustments are based on the reasonable good faith beliefs of the Company at the time of such execution. Any such certificate shall be provided to the Trustee if the Company or any Restricted Subsidiary incurs Indebtedness, issues Disqualified Stock or preferred stock, makes any Restricted Payment or consummates any transaction described under Section 5.01 necessitating the calculation of the Fixed Charge Coverage Ratio.

"**Fixed Charges**" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, (x) including, without limitation, amortization of original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of any Securitization Fees, the interest component of all payments associated with Capital Lease Obligations and the net payments made pursuant to Hedging Obligations in respect of interest rates (but for clarity purposes excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments pursuant to GAAP) an and (y) excluding amortization of deferred financing fees, debt issuance costs and commissions, fees and expenses incurred in connection with the incurrence of Indebtedness and any expensing of bridge, commitment and other financing fees; *plus*

(2) the consolidated interest of such Person and its Restricted Subsidiaries that was capitalized during such period; *plus*

(3) any interest accruing on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such guarantee or Lien is called upon; *plus*

(4) all dividends accrued or paid on any series of Disqualified Stock or Designated Preferred Stock of the Company or any Disqualified Stock or preferred stock of any Restricted Subsidiary (other than any such Disqualified Stock, Designated Preferred Stock or preferred stock held by the Company or a Wholly Owned Restricted Subsidiary or to the extent paid in Qualified Equity Interests); *plus*

(5) to the extent any Attributable Indebtedness is outstanding and is not a Capital Lease Obligation, the amount of interest implicit in any payments related to such Attributable Indebtedness during such period.

"**Forward Freight Agreement**" means, with respect to any Person, any forward freight agreement or comparable swap, future or similar agreement or arrangement relating to derivative trading in freight or similar rates.

"**GAAP**" means generally accepted accounting principles in the United States of America as in effect on the Issue Date. For clarity purposes, in determining whether a lease is a capital lease or an operating lease and whether interest expense exists, such determination shall be made in accordance with GAAP as in effect on the Issue Date.

"**Government Securities**" means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

"**guarantee**" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness.

"**Guarantee**" or "**Note Guarantee**" means the guarantee by each Guarantor of the Company's obligations under this Indenture and on the Notes, executed pursuant to the provisions of this Indenture.

"**Guarantor**" means each Subsidiary of the Company that executes a Guarantee in accordance with the provisions of this Indenture and its successors and assigns, until such Subsidiary is released from its Guarantee in accordance with the provisions of this Indenture.

"**Hedging Obligations**" means, with respect to any Person, the obligations of such Person under swap, cap, collar, forward purchase, Forward Freight Agreements or agreements or arrangements similar to any of the foregoing and dealing with interest rates, currency exchange rates, commodity prices or freight rates, either generally or under specific contingencies.

"**Heirs**" of any individual means such individual's estate, spouse, lineal relatives (including adoptive descendants), administrator, committee or other personal representative or other estate planning vehicle and any custodian or Trustee for the benefit of any spouse or lineal relatives (including adoptive descendants) of such individual.

"**Holder**" means a Person in whose name a Note is registered on the books maintained by the Registrar.

"**Indebtedness**" of any Person at any date means, without duplication:

(1) all liabilities, contingent or otherwise, of such Person for borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof);

(2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all reimbursement obligations of such Person in respect of letters of credit, letters of guaranty, bankers' acceptances and similar credit transactions;

(4) all obligations of such Person representing the balance deferred and unpaid of the purchase price of any property or services due more than six months after such property is acquired or such services are completed and which is treated as indebtedness under GAAP, except any such balance that constitutes an accrued expense or trade payable, or similar obligations to trade creditors incurred in the ordinary course of business;

(5) all Capital Lease Obligations of such Person;

(6) all Indebtedness of others secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person;

(7) all Indebtedness of others guaranteed by such Person to the extent of such guarantee; *provided* that Indebtedness of the Company or its Subsidiaries that is guaranteed by the Company or the Company's Subsidiaries shall only be counted once in the calculation of the amount of Indebtedness of the Company and its Subsidiaries on a consolidated basis; *provided*, *further*, that Standard Securitization Undertakings in connection with a Qualified Securitization Transaction shall not be considered to be a guarantee of Indebtedness;

(8) all Attributable Indebtedness;

(9) to the extent not otherwise included in this definition, Hedging Obligations of such Person; and

(10) all obligations of such Person under conditional sale or other title retention agreements relating to assets purchased by such Person.

Notwithstanding clause (4) above, the obligation of the Company or any Restricted Subsidiary to pay the purchase price for an Exercised Purchase Option Contract entered into and exercised in the ordinary course of business and consistent with past practices of the Company and its Restricted Subsidiaries shall not constitute "Indebtedness" under clause (4) above even though the purchase price therefor may be due more than six months after exercise thereof.

"**Indenture**" means this Indenture, as amended, supplemented or otherwise modified from time to time in accordance with the terms hereof including, for all purposes of this Indenture and any such supplemental indenture, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this Indenture.

"**Independent Appraiser**" means a Person:

(1) that is (a) engaged in the business of appraising Vessels who is generally acceptable to institutional lenders to the shipping and logistics industries or (b) if no Person described in clause (1)(a) is at such time generally providing appraisals of vessels (as determined in good faith by the Company) then, an independent investment banking firm of international standing qualified to perform such valuation (as determined in good faith by the Company); and

(2) who (a) is independent of the parties to the transaction in question and their Affiliates and (b) is not connected with the Company, any of the Restricted Subsidiaries or any of such Affiliates as an officer, director, employee, partner or person performing similar functions.

"**Initial Purchasers**" means Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and S. Goldman Advisors LLC.

"**interest**" means, with respect to the Notes, interest and Additional Interest, if any, on the Notes (regardless of whether so stated).

"**Interest Payment Date**" means each April 15 and October 15 starting with October 15, 2011.

"**Investments**" means, with respect to any Person, all direct or indirect investments by such Person in other Persons in the forms of loans (including guarantees or other obligations), advances or capital contributions, purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP but excluding extensions of trade credit or advances, deposits and payments to or with suppliers, lessors or utilities or for workers' compensation in the ordinary course of business or prepaid expenses or deposits on the balance sheet of such Person prepared in accordance with GAAP. If the Company or any Restricted Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any Restricted Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of the Company, the Company shall be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Company's Investments in such Subsidiary that were not sold or disposed of in an amount determined as provided in Section 4.11(c). The acquisition by the Company or any Restricted Subsidiary of the Company of a Person that holds an Investment in a third Person shall be deemed to be an Investment by the Company or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in Section 4.11(c). Except as otherwise provided in this Indenture, the amount of an Investment shall be determined at the time the Investment is made and without giving effect to subsequent changes in value.

"**Issue Date**" means April 12, 2011, the date of the original issuance of the Notes under this Indenture.

"**Lien**" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind on such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; *provided*, that in no event shall an operating lease that is not a Capital Lease Obligation be deemed to constitute a Lien.

"**Logistics Finance**" means Navios Logistics Finance (US) Inc., a Delaware corporation.

"**Make-Whole Redemption**" has the meaning given in Section 5 of the Notes.

"**Make-Whole Redemption Date**" with respect to a Make-Whole Redemption, means the date such Make-Whole Redemption is effected.

"**Maturity Date**" when used with respect to any Note, means the date on which the principal amount of such Note becomes due and payable as therein or herein provided.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Navios Holdings**" means Navios Maritime Holdings Inc., a Marshall Islands corporation.

"**Navios Holdings Loan Facility**" means that certain loan agreement between Navios Holdings and the Company providing for up to $40.0 million of borrowings and described in the Offering Memorandum.

"**Net Proceeds**" means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of fees, commissions, expenses and other direct costs relating to such Asset Sale, including, without limitation, (a) fees and expenses related to such Asset Sale (including legal, accounting and investment banking fees, title and recording tax fees and sales and brokerage commissions, and any relocation expenses and severance or shutdown costs incurred as a result of such Asset Sale), (b) all federal, state, provincial, foreign and local taxes paid or payable as a result of the Asset Sale, (c) amounts required to be applied to the repayment of Indebtedness, other than Indebtedness under a Credit Facility, secured by a Lien incurred in compliance with the terms of the indenture on the asset or assets that were the subject of such Asset Sale, (d) amounts required to be paid to any Person (other than the Company or any of its Restricted Subsidiaries) owning a beneficial interest in the assets which are subject to such Asset Sale, (e) in the case of any Asset Sale by a Restricted Subsidiary that is not a Guarantor, payments to holders of Equity Interests in such Restricted Subsidiary (other than Equity Interests held by the Company or any of its Restricted Subsidiaries) to the extent that such payment is required to permit the distribution of proceeds of such Asset Sale in respect of Equity Interests in such Restricted Subsidiary held by the Company or any of its Restricted Subsidiaries and (f) any escrow or reserve for adjustment in respect of the sale price of such assets established in accordance with GAAP and any reserve in accordance with GAAP against any liabilities associated with such Asset Sale and retained by the seller after such Asset Sale, including pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale except to the extent that such proceeds are released from any such escrow or to the extent such reserve is reduced or eliminated.

"**Non-Recourse Debt**" means Indebtedness:

(1) as to which neither the Company nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness (other than, with respect to a Securitization Subsidiary, pursuant to Standard Securitization Undertakings in connection with a Qualified Securitization Transaction)), (b) is directly or indirectly liable as a guarantor or otherwise (other than, with respect to a Securitization Subsidiary, pursuant to Standard Securitization Undertaking in connection with a Qualified Securitization Transaction), or (c) constitutes the lender; and

(2) as to which the lenders have been notified in writing or have contractually agreed that they shall not have any recourse to the stock or assets of the Company or any of its Restricted Subsidiaries (other than, in the case of a Qualified Securitization Transaction, the equity interests in, any Purchase Money Notes of and the assets of the applicable Securitization Subsidiary).

"**Non-U.S. Person**" has the meaning assigned to such term in Regulation S.

"**Notes**" means, collectively, the Co-Issuers' 9 1/4% Senior Notes due 2019 issued in accordance with Section 2.02 (whether issued on the Issue Date, issued as Additional Notes, issued as Exchange Securities or Private Exchange Securities, or otherwise issued after the Issue Date) treated as a single class of securities under this Indenture, as amended or supplemented from time to time in accordance with the terms of this Indenture.

"**Obligations**" means any principal, interest, penalties, fees, costs and expenses, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"**Offering Memorandum**" means the offering memorandum of the Co-Issuers relating to the Notes dated April 6, 2011.

"**Officer**" means, with respect to any Person, any of the following: the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, the President, the Chief Operating Officer, any Vice President, any Assistant Vice President, the Treasurer, any Assistant Treasurer, the Secretary, any Assistant Secretary, the Controller or any other officer designated by the relevant Board of Directors serving in a similar capacity.

"**Officers' Certificate**" means a certificate signed by two Officers and delivered to the Trustee.

"**Opinion of Counsel**" means a written opinion from legal counsel that meets the requirements of Sections 11.04 and 11.05. The counsel may be an employee of, or counsel to, the Co-Issuers, a Guarantor or the Trustee. Opinions of Counsel required to be delivered under this Indenture may have qualifications customary for opinions of the type required in the relevant jurisdictions or related to the items covered by the opinion and counsel delivering such Opinions of Counsel may rely on certificates of the Co-Issuers or government or other officials customary for opinions of the type required, including certificates certifying as to matters of fact, including that various covenants have been complied with.

"***pari passu* Indebtedness**" means any Indebtedness of the Co-Issuers or any Guarantor that ranks *pari passu* in right of payment with the Notes or the Note Guarantees, as applicable.

"**Permitted Asset Swap**" means the exchange of property or assets of the Company or any Restricted Subsidiary for assets to be used by the Company or a Restricted Subsidiary in a Permitted Business.

"**Permitted Business**" means any business conducted by the Company or any of its Subsidiaries as described in the Offering Memorandum and the ownership or operation of Vessels and any activities within the ship owning and shipping and trading industries or any port or logistics business or any other business which is complementary, incidental, related or ancillary to any such activities, industries and businesses, including owning and/or operating or other activities in connection with barges, floating vessels or crafts, floating storage production units, storage tanks and terminals, salvage, port facilities and services, pipelines and, loading and discharging facilities and drying and conditioning facilities and equipment related thereto (including any investment in real estate in respect of the foregoing). For purposes hereof, the acquisition of loans and other third party debt obligations in connection with the acquisition or potential acquisition of Vessels or ports or related activities is a Permitted Business.

"**Permitted Hedging Obligations**" means at any time, Hedging Obligations designed to manage interest rates or interest rate risk or protect against fluctuations in currency exchange rates, commodity prices or freight rates and not for speculative purposes (all as determined by the Company on the date of entering into such Hedging Obligation). Forward Freight Agreements entered into by the Company in its good faith determination for the purpose of hedging available days against fluctuations in freight rates (as so determined by the Company on the date of entering into such Forward Freight Agreement) shall be deemed to have been entered into not for speculative purposes and shall qualify as "Permitted Hedging Obligations" for all purposes under this Indenture.

"**Permitted Holders**" means each of: (i) Navios Holdings and any of its Subsidiaries (but only for so long as it continues to be a Subsidiary of Navios Holdings); (ii) Angeliki Frangou; (iii) for the individual named in (ii) above, each of her spouse, siblings, ancestors, descendants (whether by blood, marriage or adoption, and including stepchildren) and the spouses, siblings, ancestors and descendants thereof (whether by blood, marriage or adoption, and including stepchildren) of such natural persons, the beneficiaries, estates and legal representatives of any of the foregoing, the trustee of any bona fide trust of which any of the foregoing, individually or in the aggregate, are the majority in interest beneficiaries or grantors, and any corporation, partnership, limited liability company or other Person in which any of the foregoing, individually or in the aggregate, own or control a majority in interest; and (iv) all Affiliates controlled by the Persons named in clauses (ii) and (iii) above.

"**Permitted Investments**" means:

(1) any Investment in cash or Cash Equivalents;

(2) any Investment in a Co-Issuer or in a Guarantor;

(3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment:

(a) such Person becomes a Guarantor; or

(b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, a Co-Issuer or a Guarantor;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 4.13;

(5) any Investment made for consideration consisting of Qualified Equity Interests of the Company;

(6) any Investments received in compromise, settlement or resolution of (A) obligations of trade creditors or customers, including, without limitation, pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (B) litigation, arbitration or other disputes with Persons who are not Affiliates;

(7) Investments represented by Permitted Hedging Obligations;

(8) Investments (a) in existence on the Issue Date or (b) committed to be made or made in connection with arrangements or agreements in existence on the Issue Date; *provided* that Investments in non-Guarantor Restricted Subsidiaries existing on the Issue Date that are required to be made pursuant to the terms of the arrangements or agreements governing such joint ventures (and any amendment, modification, supplement, extension or renewal thereto or replacement thereof so long as any such amendment, modification, supplement, extension or renewal, or replacement agreement, is not materially more disadvantageous to the Holders taken as a whole than the original agreement as in effect on the Issue Date) or advisable to be made in the good faith judgment of the Company, when taken together with all other Investments made in such non-Guarantor Restricted Subsidiaries pursuant to this clause (8)(b) shall not exceed since the Issue Date $20.0 million at any one time outstanding;

(9) Investments in prepaid expenses, negotiable instruments held for collection and lease, endorsements for deposit or collection in the ordinary course of business, utility or workers' compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business;

(10) loans and advances to employees and officers of the Company and its Restricted Subsidiaries in the ordinary course of business not to exceed $5.0 million at any one time outstanding;

(11) payroll, travel and similar advances made in the ordinary course of business to cover matters that are expected at the time of such advances to be treated as expenses in accordance with GAAP;

(12) Investments held by a Person at the time such Person becomes a Restricted Subsidiary of the Company or is merged into the Company or a Restricted Subsidiary of the Company and not made in contemplation of such Person becoming a Restricted Subsidiary or merger;

(13) any Investment by the Company or any Restricted Subsidiary in a Securitization Subsidiary (including, without limitation, the payment of Securitization Fees in connection with a Qualified Securitization Transaction) or

any Investment by a Securitization Subsidiary in any other Person in connection with a Qualified Securitization Transaction (including Investments of funds held in accounts required by customary arrangements governing such Qualified Securitization Transaction in the manner required by such arrangements), so long as any Investment in a Securitization Subsidiary is in the form of a Purchase Money Note, a contribution of additional Securitization Assets or an Equity Interest;

(14) Investments in any Restricted Subsidiary or any other Person engaged in a Permitted Business the Fair Market Value of which, when taken together with all other Investments made pursuant to this clause (14) since the Issue Date and that remain outstanding, do not exceed the greater of (x) $30.0 million and (y) 5.0% of Total Assets;

(15) Investments in Unrestricted Subsidiaries, the Fair Market Value of which, when taken together with all other Investments made pursuant to this clause (15) since the Issue Date and that remain outstanding, do not exceed the greater of (x) $25.0 million and (y) 4.0% of Total Assets; and

(16) other Investments in any Person having an aggregate Fair Market Value, when taken together with all other Investments made pursuant to this clause (16) that are at the time outstanding, not to exceed the greater of (x) $25.0 million and (y) 4.0% of Total Assets.

"**Permitted Liens**" means:

(1) Liens on assets and property of the Company or any of its Subsidiaries securing Indebtedness and other related Obligations under Credit Facilities in an aggregate amount at any time outstanding not to exceed $80.0 million;

(2) Liens in favor of the Company or any of its Restricted Subsidiaries;

(3) Liens on property of a Person existing at the time such Person is merged with or into or consolidated or amalgamated with the Company or any Restricted Subsidiary of the Company; *provided* that such Liens were not created in connection with such merger, consolidation or amalgamation and do not extend to any assets other than those of the Person merged into or consolidated or amalgamated with the Company or the Restricted Subsidiary;

(4) Liens on property (including Capital Stock) existing at the time of acquisition of the property by the Company or any Restricted Subsidiary of the Company; *provided* that such Liens were not incurred in connection with such acquisition;

(5) Liens incurred or deposits in connection with workers' compensation, employment insurance or other types of social security, including Liens securing letters of credit issued in the ordinary course of business or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations including those arising from regulatory, contractual or warranty requirements of the Company and its

Subsidiaries, including rights of offset and setoff (in each case exclusive of obligations for the payment of borrowed money);

(6) (i) Liens represented by any interest or title of a lessor under any Capital Lease Obligation (including in respect of Vessels and Related Assets); *provided* that such Liens do not extend to any property or assets which are not leased property subject to such Capital Lease Obligation or (ii) Liens securing Indebtedness in respect of mortgage financings or purchase money or other obligations, in each case, incurred for the purpose of acquiring assets or a business that is a Permitted Business or financing all or any part of the purchase price or cost of design, construction, installation or improvement of property, plant or equipment (including, without limitation, Vessels and Related Assets) used in the business of the Company or any of its Restricted Subsidiaries; *provided* that (A) such Indebtedness does not exceed the purchase price or cost of such property, plant or equipment or improvement and shall not be secured by any property, plant or equipment of the Company or any Restricted Subsidiary other than the property, plant and equipment so acquired, constructed, installed or improved and (B) the Lien securing such Indebtedness shall be created within 180 days of such acquisition, construction, installation, delivery or improvement;

(7) Liens securing Indebtedness incurred to finance (A) the construction, purchase or lease of, or repairs, improvements or additions to, one or more Vessels and any Vessel Related Assets or (B) the Capital Stock of a Person the assets of which include one or more Vessels and any Vessel Related Assets (and, in each case, Liens securing Indebtedness that refinances or replaces any such Indebtedness); *provided*, *however*, that, (i) except as provided in clauses (ii) and (iii) below and except to the extent that any portion of such Indebtedness is secured by a Lien incurred and outstanding pursuant to another clause of this definition of "Permitted Liens" or otherwise in compliance with Section 4.12, the principal amount of Indebtedness secured by such a Lien in respect of this clause (7) does not exceed (x) with respect to Indebtedness incurred to finance the construction of such Vessel(s) or Vessel Related Assets, 80%, without duplication, of the sum of (1) the contract price pursuant to the Construction Contract(s) for such Vessel(s) plus, without duplication, the Fair Market Value of any Vessel Related Assets and (2) any other ready for sea cost for such Vessel(s) or Vessel Related Assets (as determined in good faith by the Company), and (y) with respect to Indebtedness Incurred to finance the acquisition of such Vessel(s), Vessel Related Assets or Person, 80% of the Fair Market Value of such Vessel(s), Vessel Related Assets or the Vessel and Vessel Related Assets of such Person at the time such Lien is incurred, (ii) in the case of Indebtedness that matures within nine months after the incurrence of such Indebtedness (other than any Permitted Refinancing Indebtedness of such Indebtedness or Indebtedness that matures within one year prior to the Stated Maturity of the Notes), the principal amount of Indebtedness secured by such a Lien shall not exceed the Fair Market Value of such, without duplication, Vessel(s), Vessel Related Assets or the Vessel and Vessel Related Assets of such Person at the time such Lien is incurred, and (iii) in the case of Indebtedness representing Capital Lease Obligations relating to a Vessel or Vessel Related Assets, the principal amount of Indebtedness secured by such a Lien shall not exceed 100% of the sum of (1), without duplication, the Fair Market Value of such Vessel or Vessel Related

Assets at the time such Lien is incurred and (2) any ready for sea cost for such Vessel or Vessel Related Assets (as determined in good faith by the Company);

(8) Liens arising from Uniform Commercial Code financing statements filings or other applicable similar filings regarding operating leases and vessel charters entered into by the Company and its Restricted Subsidiaries in the ordinary course of business;

(9) Liens incurred in the ordinary course of business of the Company or any Restricted Subsidiary arising from Vessel chartering, drydocking, maintenance, repair, refurbishment or replacement, the furnishing of supplies and bunkers to Vessels and Vessel Related Assets, repairs and improvements to Vessels and Vessel Related Assets, including ports, masters', officers' or crews' wages and maritime Liens and any other Liens (other than Liens in respect of Indebtedness) incurred in the ordinary course of operations of a Vessel;

(10) Liens for general average and salvage;

(11) Liens existing on the Issue Date (other than Liens, if any, under the Navios Holdings Loan Facility) and Liens in respect of Indebtedness incurred after the Issue Date under all Credit Facilities (other than the Navios Holdings Loan Facility) outstanding or committed to on the Issue Date to the extent such Indebtedness is deemed incurred in reliance on clause (2) of Section 4.10(b) pursuant to the second sentence of Section 4.10(c);

(12) Liens for taxes, assessments or governmental charges or claims that are not yet due or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; *provided* that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;

(13) (x) Liens imposed by law, such as carriers', warehousemen's, landlord's, suppliers' and mechanics' Liens, in each case, incurred in the ordinary course of business and (y) other Liens arising by operation of law covered by insurance including any deductibles thereon);

(14) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that do not materially adversely affect the operation of the business of the Company and its Restricted Subsidiaries, taken as a whole;

(15) Liens created for the benefit of (or to secure) the Notes (or the Guarantees) (and any exchange notes and related Guarantees issued pursuant to the Registration Rights Agreement) or payment obligations to the Trustee;

(16) Liens to secure any Permitted Refinancing Indebtedness permitted to be incurred under this Indenture; *provided*, *however*, that such Liens (a) are not materially more favorable to the lienholders with respect to such Liens than the Liens in respect of the Indebtedness being refinanced, and (b) do not extend to or cover any property or assets

of the Company or any of its Restricted Subsidiaries not securing the Indebtedness so refinanced (other than (x) any improvements or accessions to such property or assets or any items which constitute Related Assets with respect to such underlying property or assets securing the Indebtedness so refinanced or (y) any Lien on additional property or assets which Lien would have been permitted to be granted pursuant to Section 4.12 in respect of the Indebtedness being refunded, refinanced, replaced, defeased or discharged by such Permitted Refinancing Indebtedness at the time such prior Indebtedness was initially incurred by the Company or such Restricted Subsidiary);

(17) Liens arising by reason of any judgment, decree or order of any court not giving rise to an Event of Default;

(18) Liens and rights of setoff in favor of a bank imposed by law and incurred in the ordinary course of business on deposit accounts maintained with such bank and cash and Cash Equivalents in such accounts;

(19) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(20) Liens securing Permitted Hedging Obligations which Permitted Hedging Obligations relate to Indebtedness that is otherwise permitted under this Indenture; *provided*, *however*, that if such Permitted Hedging Obligation is a Forward Freight Agreement such Lien shall not extend to any property or asset of the Company or any Restricted Subsidiary other than funds of the Company or such Restricted Subsidiary maintained in the ordinary course of business in deposit accounts with the clearinghouse clearing such Forward Freight Agreement;

(21) Liens arising under a contract over goods, documents of title to goods and related documents and insurances and their proceeds, in each case in respect of documentary credit transactions entered into in the ordinary course of business;

(22) Liens arising under any retention of title, hire, purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to the Company or a Restricted Subsidiary in the ordinary course of business;

(23) Liens securing Indebtedness permitted to be incurred under this Indenture; *provided* that (as of the date of incurrence of any such Indebtedness after giving pro forma effect to the application of the net proceeds therefrom), the Secured Debt Ratio does not exceed 2.75 to 1.0;

(24) Liens on Securitization Assets transferred to a Securitization Subsidiary or on assets of a Securitization Subsidiary or pledges of the equity interests in or Purchase Money Notes of a Securitization Subsidiary, in each case, in connection with a Qualified Securitization Transaction;

(25) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (1) through (24); *provided* that any such extension, renewal or replacement is no more restrictive in any material respect that the Lien so extended, renewed or replaced and does not extend to any additional property or assets; and

(26) Liens incurred by the Company or any Restricted Subsidiary of the Company with respect to obligations that do not exceed $50.0 million at any one time outstanding.

For purposes of determining what category of Permitted Lien that any Lien shall be included in, the Company in its sole discretion may classify such Lien on the date of its incurrence and later reclassify all or a portion of such Lien in any manner that complies with this definition. If on any date the Company and/or any Restricted Subsidiary intends to incur a portion of a Permitted Lien under clause (23) of this definition and a portion of a Lien under one or more additional clauses under this definition, the incurrence under clause (23) hereof shall be deemed to have occurred prior in time to the incurrence under any other clause of this definition.

"**Permitted Refinancing Indebtedness**" means any Indebtedness, Disqualified Stock or preferred stock of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to refund, refinance, replace, defease or discharge, other Indebtedness, Disqualified Stock or preferred stock of the Company or any of its Restricted Subsidiaries; *provided* that, in the case of Indebtedness which is not being used to concurrently refinance or defease the Notes in full:

(1) the principal amount (or accreted value, if applicable) or mandatory redemption amount of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) or mandatory redemption amount, plus accrued interest or dividends in connection therewith, of the Indebtedness, Disqualified Stock or preferred stock extended, refinanced, renewed, replaced, defeased or refunded (plus all dividends and accrued interest on such Indebtedness, Disqualified Stock or preferred stock and the amount of all fees, expenses, premiums and other amounts incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has a final maturity or final Redemption Date either (i) no earlier than the final maturity or final Redemption Date of the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded or (ii) after the Maturity Date;

(3) the portion, if any, of the Indebtedness, Disqualified Stock or preferred stock being extended, refinanced, renewed, replaced, defeased or refunded has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness, Disqualified Stock or preferred stock being extended, refinanced, renewed, replaced, defeased or refunded;

(4) if the Indebtedness, Disqualified Stock or preferred stock being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment

to the Notes or a Guarantee, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes or a Guarantee on terms at least as favorable to the Holders of Notes as those contained in the documentation governing the Indebtedness, Disqualified Stock or preferred stock being extended, refinanced, renewed, replaced, defeased or refunded; and

(5) such Indebtedness is incurred either by (i) if a Restricted Subsidiary that is not a Guarantor is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded, any Restricted Subsidiary that is not a Guarantor or (ii) the Company (and Logistics Finance, to the extent it is serving as a co-obligor or guarantor of Indebtedness incurred by the Company or any Guarantor or any Restricted Subsidiary that becomes a Guarantor in contemplation or upon the incurrence of such Permitted Refinancing Indebtedness) or a Guarantor (or any Restricted Subsidiary that becomes a Guarantor in contemplation of or upon the incurrence of such Permitted Refinancing Indebtedness).

For all purposes of this Indenture, Indebtedness, Disqualified Stock or preferred stock of the Company or any of its Restricted Subsidiaries (collectively, the "Replacement Indebtedness") may in the Company's discretion be deemed to replace other Indebtedness, Disqualified Stock or preferred stock of the Company or any of its Restricted Subsidiaries (collectively, the "Replaced Indebtedness") if such Replacement Indebtedness satisfies the requirements of clauses (1) through (5) above and is (x) incurred no later than 180 days of the date on which the Replaced Indebtedness was repaid, redeemed, defeased or discharged and (y) if the proceeds of the Replaced Indebtedness were primarily utilized to finance or refinance the acquisition of one or more Vessels, then substantially all of the net proceeds from such Replacement Indebtedness must be used to finance or refinance the acquisition of assets used or useful in a Permitted Business (including, without limitation, Vessels and Related Assets, which need not be the same Vessel or Vessels or Related Assets which were financed or refinanced with the Replaced Indebtedness).

"**Person**" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"**principal**" means, with respect to the Notes, the principal of and premium, if any, on the Notes.

"**Private Exchange Securities**" shall have the meaning specified in the Registration Rights Agreement.

"**Private Placement Legend**" means the legends in the form set forth in Exhibit B to be placed on the Notes except where otherwise permitted by the provisions of this Indenture.

"**Purchase Money Note**" means a promissory note of a Securitization Subsidiary to the Company or any Restricted Subsidiary of the Company, which note (a) must be repaid from cash available to the Securitization Subsidiary, other than amounts required to be

established as reserves, amounts paid to investors in respect of interest, principal and other amounts owing to such investors and amounts paid in connection with the purchase of newly generated or newly acquired Securitization Assets and (b) may be subordinated to the payments described in clause (a).

"**Purchase Option Contract**" means any contract granting the Company or any Restricted Subsidiary the option to purchase one or more Vessels and any Related Assets or any asset to be used or useful in a Permitted Business, including any amendments, supplements or modifications thereto.

"**Qualified Equity Interests**" means Equity Interests of the Company other than Disqualified Stock.

"**Qualified Institutional Buyer**" or "**QIB**" shall have the meaning specified in Rule 144A under the Securities Act.

"**Qualified Securitization Transaction**" means any transaction or series of transactions entered into by the Company or any of its Restricted Subsidiaries pursuant to which the Company or such Restricted Subsidiary sells, contributes, conveys or otherwise transfers to (a) a Securitization Subsidiary (in the case of a transfer by the Company or any of its Restricted Subsidiaries) and (b) any other Person (in the case of a transfer by a Securitization Subsidiary), or transfers an undivided interest in or grants a security interest in, any Securitization Assets (whether now existing or arising in the future) of the Company or any of its Restricted Subsidiaries, and any assets related thereto, including, without limitation, all collateral securing such Securitization Assets, all contracts and all guarantees or other obligations in respect of such Securitization Assets, proceeds of such Securitization Assets and all other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with a securitization transaction of such type; *provided* such transaction is on market terms at the time the Company or such Restricted Subsidiary enters into such transaction.

"**Record Date**" means the applicable Record Date specified in the Notes; *provided* that if any such date is not a Business Day, the Record Date shall be the first day immediately succeeding such specified day that is a Business Day.

"**Redemption Date**," when used with respect to any Note to be redeemed, means the date fixed for such redemption pursuant to this Indenture and the Notes.

"**Redemption Price**," when used with respect to any Note to be redeemed on a Redemption Date, means the price fixed for such redemption pursuant to and in accordance with this Indenture, exclusive of accrued and unpaid interest and Additional Interest, if any, thereon to the Redemption Date, unless otherwise specifically provided herein.

"**Registration Rights Agreement**" means (i) the Registration Rights Agreement dated as of the Issue Date among the Company, the Guarantors and the Initial Purchasers and (ii) any other exchange and registration rights agreement entered into in connection with an issuance of Additional Notes in a private offering after the Issue Date.

"**Regulation S**" means Regulation S under the Securities Act.

"**Regulation S-X**" means Regulation S-X under the Securities Act.

"**Related Asset**" means any assets used, established or maintained or useful in a Permitted Business.

"**Responsible Officer**" means, when used with respect to the Trustee, any officer in the Corporate Trust Office of the Trustee, including any vice president, assistant vice president, trust officer, assistant trust officer or any other officer of the Trustee who currently performs functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such officer's knowledge of and familiarity with the particular subject and shall also mean any officer who shall have direct responsibility for the administration of this Indenture.

"**Restricted Investment**" means an Investment other than a Permitted Investment.

"**Restricted Security**" means a Note that constitutes a "Restricted Security" within the meaning of Rule 144(a)(3) under the Securities Act; *provided*, *however*, that the Trustee shall be entitled to request and conclusively rely on an Opinion of Counsel with respect to whether any Note constitutes a Restricted Security.

"**Restricted Subsidiary**" of a Person means any Subsidiary of such Person that is not an Unrestricted Subsidiary.

"**Rule 144A**" means Rule 144A under the Securities Act.

"**S&P**" means Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc., and its successors.

"**Sale/Leaseback Transaction**" means any arrangement with any Person or to which any such Person is a party providing for the leasing to the Company or a Subsidiary of the Company of any property, whether owned by the Company or any of its Subsidiaries at the Issue Date or later acquired, which has been or is to be sold or transferred by the Company or any of its Subsidiaries to such Person or to any other Person from whom funds have been or are to be advanced by such Person on the security of such property.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Secured Debt Ratio**" means, as of any date of determination, the ratio of (x) Indebtedness of the Company and its Restricted Subsidiaries secured by a Lien on any property or assets of the Company or its Restricted Subsidiaries determined on a consolidated basis in accordance with GAAP to (y) the Company's Consolidated Cash Flow for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of determination, with such adjustments to the amount of such Indebtedness and Consolidated Cash Flow as are consistent with the adjustment provisions set forth in the definition of "Fixed Charge Coverage Ratio." For purposes of this calculation, the amount of such Indebtedness outstanding as of any date of determination shall not include

(i) outstanding stand-by letters of credit which have not been drawn upon and (ii) any Hedging Obligations that are incurred for non-speculative purposes.

"**Secured Indebtedness**" means any Indebtedness (other than Subordinated Indebtedness) of the Company or a Restricted Subsidiary of the Company secured by a Lien on any of its assets.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended, or any successor statute or statutes thereto and, in each case, the rules and regulations promulgated by the SEC thereunder.

"**Securitization Assets**" means any accounts receivable, instruments, chattel paper, contract rights, general intangibles or revenue streams subject to a Qualified Securitization Transaction and any assets related thereto (other than Vessels), including, without limitation, all collateral securing such assets, all contracts and all guarantees or other supporting obligations in respect of such assets and all proceeds of the forgoing.

"**Securitization Fees**" means all yield, interest or other payments made directly or by means of discounts with respect to any interest issued or sold in connection with, and other fees paid to a Person that is not a Securitization Subsidiary in connection with, any Qualified Securitization Transaction.

"**Securitization Repurchase Obligation**" means any obligation of a seller of Securitization Assets in a Qualified Securitization Transaction to repurchase Securitization Assets arising as a result of a breach of Standard Securitization Undertakings, including as a result of a Securitization Asset or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to, the seller.

"**Securitization Subsidiary**" means a Subsidiary of the Company (or another Person formed for the purposes of engaging in a Qualified Securitization Transaction in which the Company or any Subsidiary of the Company makes an Investment and to which the Company or any Subsidiary of the Company transfers Securitization Assets and related assets):

(1) that is formed solely for the purpose of, and that engages in no activities other than activities in connection with, financing Securitization Assets of the Company and/or its Restricted Subsidiaries, and any activities incidental thereto;

(2) that is designated by the Board of Directors of the Company or such other Person as a Securitization Subsidiary pursuant to Board Resolution set forth in an Officers' Certificate and delivered to the Trustee;

(3) that, other than Securitization Assets, has total assets at the time of such creation and designation with a book value of $10,000 or less;

(4) has no Indebtedness other than Non-Recourse Debt;

(5) with which neither the Company nor any Restricted Subsidiary of the Company has any material contract, agreement, arrangement or understanding other than contracts, agreements, arrangements and understandings on terms not materially less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company in connection with a Qualified Securitization Transaction (as determined in good faith by the Company) and Securitization Fees payable in the ordinary course of business in connection with such a Qualified Securitization Transaction; and

(6) with respect to which neither the Company nor any Restricted Subsidiary of the Company has any obligation (a) to make any additional capital contribution (other than Securitization Assets) or similar payment or transfer thereto or (b) to maintain or preserve the solvency or any balance sheet term, financial condition, level of income or results of operations thereof.

"**Shareholders Agreement**" means each of the Shareholder's Agreements dated January 1, 2008 and June 17, 2010 by and between the Company, Navios Corporation and Grandall Investment S.A., as such agreements may be amended, modified, supplemented, replaced, extended or renewed from time to time in compliance with Section 4.14(b)(7).

"**Significant Subsidiary**" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02(w) of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the Issue Date.

"**Standard Securitization Undertakings**" means representations, warranties, covenants and indemnities entered into by the Company or any Restricted Subsidiary of the Company which have been determined by the Company in good faith to be reasonably customary in Qualified Securitization Transactions, including, without limitation, those relating to the servicing of the assets of a Securitization Subsidiary, it being understood that any Securitization Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"**Stated Maturity**" means, with respect to any installment of principal on any series of Indebtedness, the date on which the payment of principal was scheduled to be paid in the documentation governing such Indebtedness as of the Issue Date (or, if incurred after the Issue Date, as of the date of the initial incurrence thereof) and shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"**Subordinated Indebtedness**" means Indebtedness of a Co-Issuer or any Guarantor that is subordinated in right payment to the Notes or the Note Guarantees of such Guarantor, as the case may be.

"**Subsidiary**" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the

occurrence of any contingency) to vote in the election of directors, managers or Trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of such Person (or a combination thereof); and

(2) any other Person of which at least a majority of the voting interest (without regard to the occurrence of any contingency) is at the time directly or indirectly owned by such Person or one or more Subsidiaries of such Person (or a combination thereof).

"**Tax**" shall mean any tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and any other liabilities related thereto).

"**Taxing Authority**" shall mean any government or political subdivision or territory or possession of any government or any authority or agency therein or thereof having power to tax.

"**Total Assets**" means the total consolidated assets of the Company and its Restricted Subsidiaries, as shown on the most recent balance sheet of the Company prepared in accordance with GAAP.

"**Trust Indenture Act**" means the Trust Indenture Act of 1939, as amended, as in effect on the date on which this Indenture is qualified under the Trust Indenture Act, except as otherwise set forth in Section 9.03.

"**Trustee**" means the party named as such in the preamble to this Indenture until a successor replaces it in accordance with the provisions of this Indenture and thereafter means such successor.

"**Unrestricted Subsidiary**" means any Subsidiary of the Company that is designated by the Board of Directors of the Company as an Unrestricted Subsidiary pursuant to a Board Resolution, but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) except as permitted by Section 4.14 is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are not materially less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company;

(3) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to make any additional capital contributions (other than, with respect to a Securitization Subsidiary, Securitization Assets transferred in connection with a Qualified Securitization Transaction) or similar payment or transfer thereto or (b) to maintain or preserve the solvency or any balance sheet term, financial condition, level of income or results of operations thereof; and

(4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries.

Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary shall be evidenced to the Trustee by filing with the Trustee a certified copy of the Board Resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the preceding conditions and was permitted by Section 4.11. If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture and any Indebtedness of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness is not permitted to be incurred as of such date under Section 4.10, the Company shall be in default of such Section. The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that such designation shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation shall only be permitted if (1) such Indebtedness is permitted under Section 4.10, calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period; and (2) no Default or Event of Default would be in existence immediately following such designation. Any Subsidiary of an Unrestricted Subsidiary will automatically be designated as an Unrestricted Subsidiary. The Company has no Unrestricted Subsidiaries as of the Issue Date

"**U.S. Legal Tender**" means such coin or currency of the United States of America that at the time of payment shall be legal tender for the payment of public and private debts.

"**U.S. Dollar Equivalent**" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the spot rate for the purchase of U.S. dollars with the applicable foreign currency as quoted by Reuters at approximately 10:00 A.M. (New York time) on the date not more than two Business Days prior to such determination.

"**Vessel**" means a tanker, bulk carrier, barge, liquid petroleum gas/liquid natural gas tanker, chemical carrier, bulk carrier, container vessel, reefer vessel, tug boat, push boat, off shore supply vessel, floating storage production unit, barge and in general any floating craft whose purpose may be partially or wholly to deploy, procure, process, transport, load, discharge, transfer or store lawful commodities or to transport crew, personnel or passengers, and all related spares, stores, equipment, additions and improvement equipment related to such work whether it is attached to such vessel or not which is owned by and registered (or to be owned by and registered) in the name of the Company or any of its Restricted Subsidiaries or operated or to be operated by the Company or any of its Restricted Subsidiaries pursuant to a lease or other operating agreement constituting a Capital Lease Obligation.

"**Vessel Related Asset**" means (i) any insurance policies and contracts from time to time in force with respect to a Vessel, (ii) the Capital Stock of any Restricted Subsidiary of the Company owning a Vessel and related assets, (iii) any requisition compensation payable in

respect of any compulsory acquisition of a Vessel, (iv) any earnings derived from the use or operation of a Vessel and/or any earnings account with respect to such earnings, (v) any charters, operating leases, contracts of affreightment, Vessel purchase options and related agreements entered and any security or guarantee in respect of the charterer's or lessee's obligations under such charter, lease, Vessel purchase option or agreement, (vi) any cash collateral account established with respect to a Vessel pursuant to the financing arrangement with respect thereto, (vii) any building, conversion or repair contracts relating to a Vessel and any security or guarantee in respect of the builder's obligations under such contract and (viii) any security interest in, or agreement or assignment relating to, any of the foregoing or any mortgage in respect of a Vessel and any asset reasonably related, ancillary or complementary thereto.

"**Voting Stock**" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"**Weighted Average Life to Maturity**" means, when applied to any Indebtedness, Disqualified Stock or preferred stock at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of such Indebtedness or redemption or similar payment in respect of such Disqualified Stock or preferred stock, by (b) the number of years (calculated to the nearest one-twelfth) that shall elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness or the maximum amount payable upon maturity of, or pursuant to any mandatory redemption provisions of, amount of such Disqualified Stock or preferred stock.

"**Wholly Owned Restricted Subsidiary**" of any Person means a Restricted Subsidiary of such Person, all of the outstanding Equity Interests of which (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Company or any of its Subsidiaries) are at the time owned by such Person or another Wholly Owned Restricted Subsidiary of such Person.

SECTION 1.02. Other Definitions.

Term	Defined in Section
"144A Global Note"	2.01
"Additional Amounts"	4.20(b)
"Additional Interest Notice"	4.19
"Additional Notes"	2.02
"Affiliate Transaction"	4.14(a)
"Asset Sale Offer"	4.13(e)
"Asset Sale Payment Date"	4.13(f)(2)
"Authentication Order"	2.02
"Base Currency"	11.16(b)(1)(A)
"Change of Control Offer"	4.09

Term	Defined in Section
"Change of Control Payment"	4.09
"Change of Control Payment Date"	4.09
"Co-Issuer"	Preamble
"Company"	Preamble
"Company Process Agent"	11.15(a)
"Covenant Defeasance"	8.04
"Event of Default"	6.01
"Excess Proceeds"	4.13(e)
"Global Note"	2.01
"Guarantee Obligations"	10.01
"incur"	4.10(a)
"Initial Global Notes"	2.01
"Initial Notes"	2.02
"Judgment Currency"	11.16(b)(1)(A)
"Legal Defeasance"	8.03
"Navios"	Preamble
"Logistics Finance"	Preamble
"Notation of Guarantee"	10.03
"Notice of Acceleration"	6.02
"Offered Price"	4.13(e)
"Participants"	2.15(a)
"Paying Agent"	2.03
"Payment Amount"	4.13(e)
"Payment Default"	6.01(5)(a)
"Permitted Debt"	4.10(b)
"Physical Notes"	2.01
"Primary Lien"	4.12(a)(2)
"Process Agent"	11.15(b)
"rate of exchange"	11.16(d)
"Registrar"	2.03
"Regulation S Global Note"	2.01
"Relevant Taxing Jurisdiction"	4.20(a)
"Reinvestment Termination Date"	4.13(d)
"Restricted Payments"	4.11(a)
"Specified Courts"	11.08
"Surviving Entity"	2.02
"Third Party Process Agent"	11.15(b)
"Total Loss"	4.10(b)(5)

SECTION 1.03. Incorporation by Reference of Trust Indenture Act.

Whenever this Indenture refers to a provision of the Trust Indenture Act, such provision is incorporated by reference in, and made a part of, this Indenture. The following Trust Indenture Act terms used in this Indenture have the following meanings:

"indenture securities" means the Notes.

"indenture security holder" means a Holder.

"indenture to be qualified" means this Indenture.

"indenture trustee" or "institutional trustee" means the Trustee.

"obligor" in respect of this Indenture or on the Notes means a Co-Issuer, any Guarantor and any other obligor on the Notes.

All other Trust Indenture Act terms used in this Indenture that are defined by the Trust Indenture Act, defined by Trust Indenture Act reference to another statute or defined by SEC rule and not otherwise defined herein have the meanings assigned to them therein.

SECTION 1.04. Rules of Construction.

For all purposes under this Indenture and the Notes, except as otherwise provided and unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP (for the avoidance of doubt, determinations of whether an action is for speculative purposes is not an accounting term);

(3) words in the singular include the plural, and words in the plural include the singular;

(4) provisions apply to successive events and transactions;

(5) "herein," "hereof" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision;

(6) the words "including," "includes" and similar words shall be deemed to be followed by "without limitation";

(7) references to "$" or dollars are to United States dollars; and

(8) references to Subsidiaries are to Subsidiaries of the Company.

ARTICLE TWO

THE NOTES

SECTION 2.01. Form and Dating.

The Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. The Co-Issuers shall approve the form of the Notes and any notation, legend or endorsement on them. Each Note shall be dated the date of its issuance and show the date of its authentication. Each Note shall have an executed Notation of Guarantee from each of the Guarantors existing on the Issue Date endorsed thereon substantially in the form of Exhibit E.

The terms and provisions contained in the Notes and the Note Guarantees shall constitute, and are hereby expressly made, a part of this Indenture and, to the extent applicable, the Co-Issuers, the Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

Notes offered and sold in reliance on Rule 144A shall be issued initially in the form of a single permanent global Note in registered form, substantially in the form set forth in Exhibit A (the "**144A Global Note**"), deposited with the Trustee, as custodian for the Depository, duly executed by the Co-Issuers (and having an executed Notation of Guarantee from each of the Guarantors existing on the Issue Date endorsed thereon) and authenticated by the Trustee as hereinafter provided and shall bear the legends set forth in Exhibit B.

Notes offered and sold in offshore transactions in reliance on Regulation S shall be issued initially in the form of a single permanent global Note in registered form substantially in the form of Exhibit A (the "**Regulation S Global Note**"; and together with the 144A Global Note, the "**Initial Global Notes**"), deposited with the Trustee, as custodian for the Depository, duly executed by each Co-Issuer (and having an executed Notation of Guarantee from each of the Guarantors existing on the Issue Date endorsed thereon) and authenticated by the Trustee as hereinafter provided and shall bear the legends set forth in Exhibit B.

Notes issued after the Issue Date shall be issued initially in the form of one or more global Notes in registered form, substantially in the form set forth in Exhibit A, deposited with the Trustee, as custodian for the Depository, duly executed by each Co-Issuer (and having an executed Notation of Guarantee from each of the Guarantors endorsed thereon) and authenticated by the Trustee as hereinafter provided and shall bear any legends required by applicable law (together with the Initial Global Notes, the "**Global Notes**") or as Physical Notes. With respect to Additional Notes, any Additional Interest, if set forth in the applicable Registration Rights Agreement, may be paid to holders of such Additional Notes immediately prior to the making or the consummation of the applicable Exchange Offer regardless of any other provision regarding record dates set forth herein; *provided* that the Co-Issuers shall give advance written notice thereof to the Trustee.

The aggregate principal amount of the Global Notes may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depository, as hereinafter provided. Notes issued in exchange for interests in a Global Note pursuant to Section 2.16 may be issued in the form of permanent certificated Notes in registered form in substantially the form set forth in Exhibit A and bearing the applicable legends, if any, (the "**Physical Notes**").

Subject to the provisions of Section 2.02 and Section 4.10, the Co-Issuers may issue, from time to time, Additional Notes under this Indenture which shall have identical terms as the Initial Notes issued on the Issue Date or the Exchange Securities or Private Exchange Securities issued therefor (in each case, other than with respect to the date of issuance, registration rights, issue price and amount of interest payable on the first interest payment date applicable thereto), as the case may be. Any Additional Notes shall be part of the same issue as the Notes being issued on the Issue Date and will vote and consent on all matters as one class with the Notes being issued on the Issue Date, including, without limitation, waivers, amendments, redemptions and Change of Control Offers.

SECTION 2.02. Execution, Authentication and Denomination; Additional Notes; Exchange Securities.

One Officer of each Co-Issuer (who shall have been duly authorized by all requisite corporate actions) shall sign the Notes for such Co-Issuer by manual or facsimile signature. One Officer of a Guarantor (who shall have been duly authorized by all requisite corporate actions) shall sign the Notation of Guarantee for such Guarantor by manual or facsimile signature.

If an Officer whose signature is on a Note or Notation of Guarantee, as the case may be, was an Officer at the time of such execution but no longer holds that office at the time the Trustee authenticates the Note, the Note shall nevertheless be valid.

A Note (and the Notations of Guarantees in respect thereof) shall not be valid until an authorized signatory of the Trustee manually signs the certificate of authentication on the Note. The signature shall be conclusive evidence that the Note has been duly and validly authenticated under this Indenture.

The Trustee shall authenticate (i) on the Issue Date, Notes for original issue in the aggregate principal amount not to exceed $200.0 million (the " **Initial Notes**"), (ii) additional Notes (the "**Additional Notes**") having identical terms and conditions to the Initial Notes, except for issue date, issue price and first interest payment date, in an unlimited amount (so long as not otherwise prohibited by the terms of this Indenture, including, without limitation, Section 4.10) and (iii) Exchange Securities (x) in exchange for a like principal amount of Initial Notes or (y) in exchange for a like principal amount of Additional Notes, in each case upon a written order of the Co-Issuers in the form of a certificate of an Officer of each Co-Issuer (an " **Authentication Order**"). Each such Authentication Order shall specify the amount of Notes to be authenticated and the date on which the Notes are to be authenticated, whether the Notes are to be Initial Notes, Exchange Securities, Private Exchange Securities or Additional Notes and whether the

Notes are to be issued as certificated Notes or Global Notes or such other information as the Trustee may reasonably request.

All Notes issued under this Indenture shall be treated as a single class for all purposes under this Indenture. None of the Initial Notes, any Additional Notes, the Exchange Securities or the Private Exchange Securities shall have the right to vote or consent as a separate class on any manner (it being understood that the foregoing shall in no way limit the rights of Holders pursuant to Section 9.02(b)). The Additional Notes shall bear any legend required by applicable law.

The Trustee may appoint an authenticating agent reasonably acceptable to the Co-Issuers to authenticate Notes. Unless otherwise provided in the appointment, an authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with the Co-Issuers and Affiliates of the Co-Issuers. The Trustee shall have the right to decline to authenticate and deliver any Notes under this Indenture if the Trustee, being advised by counsel, determines that such action may not lawfully be taken or if the Trustee in good faith shall determine that such action would expose the Trustee to personal liability.

The Notes shall be issuable only in registered form without coupons in denominations of $2,000 and integral multiples of $1,000 in excess thereof.

In case a Co-Issuer, pursuant to and in accordance with Article Five, shall, in one or more related transactions, be consolidated or merged with or into any other Person or shall sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all the assets of such Co-Issuer and its Restricted Subsidiaries taken as a whole to any Person, and the surviving Person resulting from such consolidation or surviving such merger or into which such Co-Issuer shall have been merged, or the surviving Person which shall have participated in the sale, assignment, transfer, conveyance or other disposition as aforesaid, shall have assumed all of the obligations of such Co-Issuer under the Notes and this Indenture pursuant to agreements reasonably satisfactory to the Trustee in accordance with Article Five (such Person, the "**Surviving Entity**"), any of the Global Notes authenticated or delivered prior to such consolidation, merger, sale, assignment, transfer, conveyance or other disposition may, from time to time, at the request of the Surviving Entity, be exchanged for other Global Notes executed in the name of the Surviving Entity with only such changes in phraseology as may be appropriate to reflect the identity of the Surviving Entity, but otherwise in substance of like tenor, terms and conditions in all respects as the Global Notes surrendered for such exchange and of like principal amount; and the Trustee, upon the request of the Surviving Entity, shall authenticate and deliver Global Notes as specified in such request for the purpose of such exchange. If Global Notes shall at any time be authenticated and delivered in any new name of a Surviving Entity pursuant to this Section 2.02 in exchange or substitution for or upon registration of transfer of any Notes, such Surviving Entity, at the option of the Holders but without expense to them, shall provide for the exchange of all Notes at the time outstanding for Notes authenticated and delivered in such new name.

SECTION 2.03. Registrar and Paying Agent.

The Co-Issuers shall maintain or cause to be maintained an office or agency in the United States where (a) Notes may be presented for payment or surrendered for registration of transfer or for exchange (" **Registrar**"), (b) Notes may, subject to Section 2 of the Notes, be presented or surrendered for payment ("**Paying Agent**") and (c) notices and demands to or upon the Co-Issuers in respect of the Notes and this Indenture may be served. The Co-Issuers may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided*, *however*, that no such designation or rescission shall in any manner relieve either Co-Issuer of its obligation to maintain or cause to be maintained an office or agency in the United States, for such purposes. At the option of the Co-Issuers, the payment of interest and Additional Interest, if any, may be made by check mailed to the Holders at their respective addresses set forth in the register of Holders; *provided* that for Holders owning at least $100,000 aggregate principal amount of Notes that have given wire transfer instructions to the Co-Issuers at least ten (10) Business Days prior to the applicable payment date, the Co-Issuers shall make all payments of principal, interest, premium and Additional Interest, if any, by wire transfer of immediately available funds to the accounts specified by the Holders thereof. The Company or any Subsidiary of the Company may act as Registrar or Paying Agent, except that for the purposes of Article Eight, neither the Company nor any Affiliate of the Company shall act as Paying Agent. The Registrar shall keep a register of the Notes and of their transfer and exchange. The Co-Issuers, upon notice to the Trustee, may have one or more co-registrars and one or more additional paying agents reasonably acceptable to the Trustee. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Co-Issuers initially appoint the Trustee as Registrar and Paying Agent until such time as the Trustee has resigned or a successor has been appointed.

To the extent necessary, the Co-Issuers shall enter into an appropriate agency agreement with any Agent not a party to this Indenture, which agreement shall implement the provisions of this Indenture that relate to such Agent. The Co-Issuers shall notify the Trustee, in advance, of the name and address of any such Agent. If the Co-Issuers fail to maintain a Registrar or Paying Agent, the Trustee shall act as such.

SECTION 2.04. Paying Agent To Hold Assets in Trust.

The Co-Issuers shall require each Paying Agent other than the Trustee or the Company or any Subsidiary of the Company to agree in writing that each Paying Agent shall hold in trust for the benefit of Holders or the Trustee all assets held by the Paying Agent for the payment of principal of, premium or Additional Interest, if any, or interest on, the Notes (whether such assets have been distributed to it by the Co-Issuers or any other obligor on the Notes), and shall notify the Trustee of any Default by the Co-Issuers (or any other obligor on the Notes) in making any such payment. The Co-Issuers at any time may require a Paying Agent to distribute all assets held by it to the Trustee and account for any assets disbursed and the Trustee may at any time during the continuance of any Payment Default, upon written request to a Paying Agent, require such Paying Agent to distribute all assets held by it to the Trustee and to account for any assets distributed. Upon distribution to the Trustee of all assets that shall have been delivered by the Co-Issuers to the Paying Agent, the Paying Agent (if other than the

Company or a Subsidiary of the Company) shall have no further liability for such assets. If the Company or a Subsidiary of the Company acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Co-Issuers, the Trustee shall serve as Paying Agent for the Notes.

SECTION 2.05. Holder Lists.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders and shall otherwise comply with Trust Indenture Act §312(a). If the Trustee is not the Registrar, the Co-Issuers shall furnish to the Trustee at least seven (7) Business Days prior to each Interest Payment Date and at such other times as the Trustee may request in writing a list, in such form and as of such date as the Trustee may reasonably require, of the names and addresses of Holders, which list may be conclusively relied upon by the Trustee.

SECTION 2.06. Transfer and Exchange.

Subject to Sections 2.15 and 2.16, when Notes are presented to the Registrar with a request to register the transfer of such Notes or to exchange such Notes for an equal principal amount of Notes of other authorized denominations, the Registrar shall register the transfer or make the exchange as requested if its requirements for such transaction are met; *provided*, *however*, that the Notes surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Co-Issuers and the Registrar, duly executed by the Holder thereof or his or her attorney duly authorized in writing. To permit registrations of transfers and exchanges, the Co-Issuers shall execute and the Trustee shall authenticate Notes at the Registrar's request. No service charge shall be made for any registration of transfer or exchange, but the Co-Issuers may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith.

The Co-Issuers shall not be required and, without the prior written consent of the Co-Issuers, the Registrar shall not be required to register the transfer of or exchange of any Note (i) during a period beginning at the opening of business 15 days before the mailing of a notice of redemption of Notes and ending at the close of business on the day of such mailing, (ii) selected for redemption in whole or in part pursuant to Article Three, except the unredeemed portion of any Note being redeemed in part, (iii) that has been tendered (and not validly withdrawn) in a Change of Control Offer, and (iv) beginning at the opening of business on any Record Date and ending on the close of business on the related Interest Payment Date.

Any Holder of a beneficial interest in a Global Note shall, by acceptance of such beneficial interest, agree that transfers of beneficial interests in such Global Notes may be effected only through a book-entry system maintained by the Holder of such Global Note (or its agent) in accordance with the applicable legends thereon, and that ownership of a beneficial interest in the Note shall be required to be reflected in a book-entry system.

SECTION 2.07. Replacement Notes.

If a mutilated Note is surrendered to the Trustee or if the Holder of a Note claims that the Note has been lost, destroyed or wrongfully taken, the Co-Issuers shall issue and the Trustee shall authenticate a replacement Note if the Trustee's requirements are met. Such Holder must provide evidence satisfactory to the Trustee of such loss, destruction or wrongful taking, and an indemnity bond, surety or other indemnity, sufficient in the judgment of both the Co-Issuers and the Trustee, to protect the Co-Issuers, the Trustee or any Agent from any loss which any of them may suffer if a Note is replaced. The Co-Issuers and the Trustee may charge such Holder for their respective reasonable out-of-pocket expenses in replacing a Note pursuant to this Section 2.07, including reasonable fees and expenses of counsel.

Every replacement Note is an additional obligation of the Co-Issuers and every replacement Notation of Guarantee shall constitute an additional obligation of the Guarantor thereof.

SECTION 2.08. Outstanding Notes.

Notes outstanding at any time are all the Notes that have been authenticated by the Trustee except those cancelled by it, those delivered to it for cancellation and those described in this Section as not outstanding. A Note does not cease to be outstanding because a Co-Issuer, a Guarantor or any of their respective Affiliates holds the Note (subject to the provisions of Section 2.09).

If a Note is replaced pursuant to Section 2.07 (other than a mutilated Note surrendered for replacement), it ceases to be outstanding unless the Co-Issuers and a Responsible Officer of the Trustee receive written proof satisfactory to them that the replaced Note is held by a bona fide purchaser. A mutilated Note ceases to be outstanding upon surrender of such Note and replacement thereof pursuant to Section 2.07.

If the principal amount of any Note is considered paid under Section 4.01, it ceases to be outstanding and interest (including Additional Interest) ceases to accrue thereon. If on a Redemption Date or the Maturity Date the Trustee or Paying Agent (other than the Company or an Affiliate thereof) holds U.S. Legal Tender or non-callable Government Securities sufficient to pay all of the principal and interest due on the Notes payable on that date, then on and after that date such Notes cease to be outstanding and interest (including Additional Interest) ceases to accrue thereon.

SECTION 2.09. Treasury Notes.

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Co-Issuers or any of their Affiliates shall be disregarded, except that, for the purposes of determining whether the Trustee shall be protected in conclusively relying on any such direction, waiver or consent, only Notes that a Responsible Officer of the Trustee actually knows are so owned shall be disregarded.

SECTION 2.10. Temporary Notes.

Until definitive Notes are ready for delivery, the Co-Issuers may prepare and the Trustee shall, upon receipt of an authentication order, authenticate and deliver temporary Notes. Temporary Notes shall be substantially in the form of definitive Notes but may have variations that the Co-Issuers consider appropriate for temporary Notes. Without unreasonable delay, the Co-Issuers shall prepare and the Trustee shall authenticate and deliver definitive Notes in exchange for temporary Notes in equal principal amounts. Until such exchange, temporary Notes shall be entitled to the same rights, benefits and privileges as definitive Notes. Notwithstanding the foregoing, so long as the Notes are represented by a Global Note, such Global Note may be in typewritten form.

SECTION 2.11. Cancellation.

A Co-Issuer at any time may deliver Notes to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Notes surrendered to them for transfer, exchange or payment. The Trustee, or at the direction of the Trustee, the Registrar or the Paying Agent (other than the Company or a Subsidiary), and no one else, shall cancel and, at the written direction of the Co-Issuers, shall dispose of all Notes surrendered for transfer, exchange, payment or cancellation in accordance with its customary procedures. Subject to Section 2.07, the Co-Issuers may not issue new Notes to replace Notes that it has paid or delivered to the Trustee for cancellation (which shall not prohibit the Co-Issuers from issuing any Additional Notes, any Exchange Securities or any Private Exchange Securities in accordance with the terms of this Indenture). If a Co-Issuer or any Guarantor shall acquire any of the Notes, such acquisition shall not operate as a redemption or satisfaction of the Indebtedness represented by such Notes unless and until the same are surrendered to the Trustee for cancellation pursuant to this Section 2.11.

SECTION 2.12. Defaulted Interest.

If the Co-Issuers default in a payment of interest and Additional Interest, if any, on the Notes, they shall pay the defaulted interest (including Additional Interest), plus (to the extent lawful) any interest payable on the defaulted interest (including Additional Interest), in any lawful manner, in each case at the rate provided in the Notes and in Section 4.01 hereof. The Co-Issuers may pay the defaulted interest to the persons who are Holders on a subsequent special record date, which date shall be the fifteenth day next preceding the date fixed by the Co-Issuers for the payment of defaulted interest or the next succeeding Business Day if such date is not a Business Day. At least 15 days before any such subsequent special record date, the Co-Issuers or, at the Co-Issuers' request, the Trustee, shall mail to each Holder, with a copy to the Trustee, a notice that states the subsequent special record date, the payment date and the amount of defaulted interest, and interest payable on such defaulted interest, if any, to be paid.

SECTION 2.13. CUSIP and ISIN Numbers.

The Co-Issuers in issuing the Notes may use "CUSIP" or "ISIN" numbers, and if so, the Trustee shall use the "CUSIP" or "ISIN" numbers in notices of redemption or exchange as a convenience to Holders; *provided*, *however*, that any such notice may state that no

representation is made as to the correctness or accuracy of the "CUSIP" or "ISIN" numbers printed in the notice or on the Notes, and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Co-Issuers shall promptly notify the Trustee in writing of any change in the "CUSIP" or "ISIN" numbers.

SECTION 2.14. Deposit of Moneys.

Subject to Section 2 of the Notes, prior to 12:00 p.m. New York City time on each Interest Payment Date, Maturity Date, Redemption Date, Change of Control Payment Date and Asset Sale Payment Date, the Co-Issuers shall have deposited with the Paying Agent in immediately available funds money sufficient to make cash payments, if any, due on such Interest Payment Date, Maturity Date, Redemption Date, Change of Control Payment Date and Asset Sale Payment Date, as the case may be, in a timely manner which permits the Paying Agent to remit payment to the Holders on such Interest Payment Date, Maturity Date, Redemption Date, Change of Control Payment Date and Asset Sale Payment Date, as the case may be.

SECTION 2.15. Book-Entry Provisions for Global Notes.

(a) The Global Notes initially shall (i) be registered in the name of the Depository or the nominee of the Depository, (ii) be delivered to the Trustee as custodian for the Depository and (iii) bear legends as set forth in Exhibit B, as applicable.

Members of, or participants in, the Depository ("**Participants**") shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Depository, or the Trustee as its custodian, or under the Global Note, and the Depository may be treated by the Co-Issuers, the Trustee and any agent of the Co-Issuers or the Trustee as the absolute owner of the Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Co-Issuers, the Trustee or any agent of the Co-Issuers or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depository or impair, as between the Depository and Participants, the operation of customary practices governing the exercise of the rights of a Holder of any Note.

(b) Transfers of Global Notes shall be limited to transfers in whole, but not in part, to the Depository, its successors and their respective nominees. Interests of beneficial owners in the Global Notes may be transferred or exchanged for Physical Notes in accordance with the rules and procedures of the Depository and the provisions of Section 2.16. In addition, Physical Notes shall be transferred to all beneficial owners in exchange for their beneficial interests in Global Notes if (i) (a) the Depository notifies the Co-Issuers that it is unwilling or unable to act as Depository for any Global Note or (b) has ceased to be a clearing agency registered under the Exchange Act, and the Co-Issuers so notify the Trustee in writing and a successor Depository is not appointed by the Co-Issuers within 90 days of such notice or (ii) an Event of Default has occurred and is continuing and the Registrar has received a request from any owner of a beneficial interest in a Global Note to issue Physical Notes. Upon any issuance of a Physical Note in accordance with this Section 2.15(b), the Trustee shall register such Physical Note in the name of, and shall cause the same to be delivered to, such person or persons

(or the nominee of any thereof). All such Physical Notes shall bear the applicable legends, if any.

(c) In connection with any transfer or exchange of a portion of the beneficial interest in a Global Note to beneficial owners pursuant to Section 2.15(b), the Registrar shall (if one or more Physical Notes are to be issued) reflect on its books and records the date and a decrease in the principal amount of such Global Note in an amount equal to the principal amount of the beneficial interest in the Global Note to be transferred, and the Co-Issuers shall execute, and the Trustee shall authenticate and deliver, one or more Physical Notes of authorized denominations in an aggregate principal amount equal to the principal amount of the beneficial interest in the Global Note so transferred.

(d) In connection with the transfer of a Global Note as an entirety to beneficial owners pursuant to Section 2.15(b), such Global Note shall be deemed to be surrendered to the Trustee for cancellation, and (i) the Co-Issuers shall execute, (ii) the Guarantors shall execute notations of Note Guarantees on and (iii) the Trustee shall upon written instructions from the Co-Issuers authenticate and deliver, to each beneficial owner identified by the Depository in exchange for its beneficial interest in such Global Note, an equal aggregate principal amount of Physical Notes of authorized denominations.

(e) Any Physical Note constituting a Restricted Security delivered in exchange for an interest in a Global Note pursuant to paragraph (b) or (c) of this Section 2.15 shall, except as otherwise provided by Section 2.16, bear the Private Placement Legend.

(f) The Holder of any Global Note may grant proxies and otherwise authorize any Person, including Participants and Persons that may hold interests through Participants, to take any action which a Holder is entitled to take under this Indenture or the Notes.

SECTION 2.16. Special Transfer and Exchange Provisions.

(a) Transfers to QIBs. The following provisions shall apply with respect to the registration of any proposed transfer of a Restricted Security to a QIB:

(i) the Registrar shall register the transfer of any Restricted Security, whether or not such Note bears the Private Placement Legend, if (x) the requested transfer is after the second anniversary of the Issue Date; *provided*, *however*, that neither the Company nor any Affiliate of the Company has held any beneficial interest in such Note, or portion thereof, at any time on or prior to the second anniversary of the Issue Date or (y) such transfer is being made by a proposed transferor who has checked the box provided for on the applicable Global Note stating, or has otherwise advised the Co-Issuers and the Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the applicable Global Note stating, or has otherwise advised the Co-Issuers and the Registrar in writing, that it is purchasing the Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Co-Issuers as

it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A;

(ii) if the proposed transferee is a Participant and the Notes to be transferred consist of Physical Notes which after transfer are to be evidenced by an interest in the 144A Global Note, upon receipt by the Registrar of the Physical Note and written instructions given in accordance with the Depository's and the Registrar's procedures, the Registrar shall register the transfer and reflect on its book and records the date and an increase in the principal amount of the 144A Global Note in an amount equal to the principal amount of Physical Notes to be transferred, and the Registrar shall cancel the Physical Notes so transferred; and

(iii) if the proposed transferor is a Participant seeking to transfer an interest in the Regulation S Global Note, upon receipt by the Registrar of written instructions given in accordance with the Depository's and the Registrar's procedures, the Registrar shall register the transfer and reflect on its books and records the date and (A) a decrease in the principal amount of the Regulation S Global Note in an amount equal to the principal amount of the Notes to be transferred and (B) an increase in the principal amount of the 144A Global Note in an amount equal to the principal amount of the Notes to be transferred.

(b) [RESERVED]

(c) Transfers to Non-U.S. Persons. The following provisions shall apply with respect to any transfer of a Restricted Security to a Non-U.S. Person under Regulation S:

(i) the Registrar shall register any proposed transfer of a Restricted Security to a Non-U.S. Person upon receipt of a certificate substantially in the form of Exhibit C from the proposed transferor and such certifications, legal opinions and other information as the Trustee or the Co-Issuers may reasonably request; and

(ii) (a) if the proposed transferor is a Participant holding a beneficial interest in the 144A Global Note or the Note to be transferred consists of Physical Notes, upon receipt by the Registrar of (x) the documents required by paragraph (i) and (y) instructions in accordance with the Depository's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and a decrease in the principal amount of the 144A Global Note, in an amount equal to the principal amount of the 144A Global Note to be transferred or cancel the Physical Notes to be transferred, as the case may be, and (b) if the proposed transferee is a Participant, upon receipt by the Registrar of instructions given in accordance with the Depository's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Regulation S Global Note in an amount equal to the principal amount of the 144A Global Note or the Physical Notes, as the case may be, to be transferred.

(d) Exchange Offer. Upon the occurrence of the Exchange Offer in accordance with the Registration Rights Agreement, the Co-Issuers shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02, the Trustee shall authenticate one or more Global Notes and/or Physical Notes not bearing the Private Placement Legend in an aggregate principal amount equal to the principal amount of the beneficial interests in the Initial Global Notes or Physical Notes, as the case may be, tendered for acceptance in accordance with the Exchange Offer and accepted for exchange in the Exchange Offer.

(e) Restrictions on Transfer and Exchange of Global Notes . Notwithstanding any other provisions of this Indenture, a Global Note may not be transferred as a whole except by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any such nominee to a successor Depository or a nominee of such successor Depository.

(f) Private Placement Legend. Upon the transfer, exchange or replacement of Notes not bearing the Private Placement Legend unless otherwise required by applicable law, the Registrar shall deliver Notes that do not bear the Private Placement Legend. Upon the transfer, exchange or replacement of Notes bearing the Private Placement Legend, the Registrar shall deliver only Notes that bear the Private Placement Legend unless (i) there is delivered to the Trustee an Opinion of Counsel reasonably satisfactory to the Co-Issuers and the Trustee to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act or (ii) such Note has been offered and sold (including pursuant to the Exchange Offer) pursuant to an effective registration statement under the Securities Act.

(g) General. By its acceptance of any Note bearing the Private Placement Legend, each Holder of such a Note acknowledges the restrictions on transfer of such Note set forth in this Indenture and in the Private Placement Legend and agrees that it shall transfer such Note only as provided in this Indenture.

The Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 2.15 or Section 2.16. The Co-Issuers shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar.

The Co-Issuers and the Registrar are not required to transfer or exchange any Note selected for redemption, except the unredeemed portion of any Note being redeemed in part.

The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Depository, Participants or beneficial owners of interests in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Neither the Trustee nor any Agent shall have responsibility for the actions or omissions of the Depository, or the accuracy of the books and records of the Depository.

(h) Cancellation and/or Adjustment of Global Note . At such time as all beneficial interests in a particular Global Note have been exchanged for Physical Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note shall be returned to or retained and canceled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who shall take delivery thereof in the form of a beneficial interest in another Global Note or for Physical Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depository at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who shall take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depository at the direction of the Trustee to reflect such increase.

SECTION 2.17. Persons Deemed Owners.

Prior to due presentment of a Note for registration of transfer and subject to Section 2.16, the Co-Issuers, the Trustee, any Paying Agent, any co-registrar and any Registrar may deem and treat the person in whose name any Note shall be registered upon the register of Notes kept by the Registrar as the absolute owner of such Note (whether or not such Note shall be overdue and notwithstanding any notation of the ownership or other writing thereon made by anyone other than the Co-Issuers, any co-registrar or any Registrar) for the purpose of receiving all payments with respect to such Note and for all other purposes, and none of the Co-Issuers, the Trustee, any Paying Agent, any co-registrar or any Registrar shall be affected by any notice to the contrary.

SECTION 2.18. Joint and Several Liability.

Except as otherwise expressly provided herein, the Co-Issuers shall be jointly and severally liable for the performance of all obligations and covenants under this Indenture and the Notes.

ARTICLE THREE

REDEMPTION

SECTION 3.01. Notices to Trustee.

If the Co-Issuers elect to redeem Notes pursuant to Section 5, Section 6 or Section 7 of the Notes, it shall notify the Trustee in writing of the Redemption Date, the Redemption Price and the principal amount of Notes to be redeemed. The Co-Issuers shall give notice of redemption to the Trustee at least 30 days but not more than 60 days before the Redemption Date (except that a notice issued in connection with a redemption referred to in Article Eight may be

more than 60 days before such Redemption Date), together with such documentation and records as shall enable the Trustee to select the Notes to be redeemed.

SECTION 3.02. Selection of Notes To Be Redeemed.

If less than all of the Notes are to be redeemed at any time, the Trustee shall select Notes for redemption as follows:

(x) if the Notes are listed on any national securities exchange, in compliance with the requirements of the principal national securities exchange on which the Notes are listed; or

(y) if the Notes are not listed on any national securities exchange, on a *pro rata* basis, by lot or by such method as the Trustee shall deem fair and appropriate;

provided that, in the case of a partial redemption pursuant to Section 6 of the Notes, the Trustee shall select the Notes or portions thereof for redemption on a *pro rata* basis or on as nearly a *pro rata* basis as is practicable (subject to the procedures of the Depository), unless that method is otherwise prohibited.

No Notes of $2,000 or less shall be redeemed in part. The Trustee shall promptly notify the Co-Issuers in writing of the Notes selected for redemption and, in the case of any Note selected for partial redemption, the principal amount at maturity thereof to be redeemed or purchased.

SECTION 3.03. Notice of Redemption.

(a) At least 30 days but not more than 60 days before a Redemption Date (except that a notice issued in connection with a redemption referred to in Article Eight may be more than 60 days before such Redemption Date), the Co-Issuers shall mail or cause to be mailed a notice of redemption by first class mail, postage prepaid, to each Holder whose Notes are to be redeemed at its registered address. Each notice for redemption shall identify the Notes (including the CUSIP or ISIN number) to be redeemed and shall state:

(1) the Redemption Date;

(2) the Redemption Price and the amount of accrued interest (including Additional Interest), if any, to be paid;

(3) the name and address of the Paying Agent;

(4) that Notes called for redemption must be surrendered to the Paying Agent to collect the Redemption Price plus accrued interest, if any;

(5) that, unless the Co-Issuers default in making the redemption payment, interest (including Additional Interest) on Notes called for redemption ceases to accrue on and after the Redemption Date, and the only remaining right of the Holders of such Notes is to receive payment of the Redemption Price upon surrender to the Paying Agent

of the Notes redeemed; *provided* that each new Note will be in a principal amount of $2,000 or an integral multiple of $1,000 in excess thereof;

(6) if any Note is being redeemed in part, the portion of the principal amount at maturity of such Note to be redeemed and that, after the Redemption Date, and upon surrender and cancellation of such Note, a new Note or Notes in aggregate principal amount equal to the unredeemed portion thereof shall be issued in the name of the Holder thereof;

(7) if fewer than all the Notes are to be redeemed, the identification of the particular Notes (or portion thereof) to be redeemed, as well as the aggregate principal amount of Notes to be redeemed and the aggregate principal amount of Notes to be outstanding after such partial redemption; and

(8) the Section of the Notes or this Indenture, as applicable, pursuant to which the Notes are to be redeemed.

The notice, if mailed in a manner herein provided, shall be conclusively presumed to have been given, whether or not the Holder receives such notice. In any case, failure to give such notice by mail or any defect in the notice to the Holder of any Note designated for redemption in whole or in part shall not affect the validity of the proceedings for the redemption of any other Note. Notices of optional redemption may not be conditional.

(b) At the Co-Issuers' request (which may be given prior to the time at which the Trustee shall have given such notice to Holders), the Trustee shall give the notice of redemption to each Holder in the Co-Issuers' names and at their expense; *provided*, *however*, that the Co-Issuers shall have delivered to the Trustee, at least 45 days prior to the Redemption Date (unless a shorter time period is agreed to by the Trustee), an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in Section 3.03(a). The notice, if mailed in the manner provided herein, shall be presumed to have been given, whether or not the Holder receives such notice.

SECTION 3.04. Effect of Notice of Redemption.

Once notice of redemption is mailed in accordance with Section 3.03, Notes called for redemption become due and payable on the Redemption Date and at the Redemption Price plus accrued interest and Additional Interest, if any; *provided* that any notice of optional redemption in connection with an Equity Offering pursuant to Section 6 of the Notes may be given prior to the completion thereof, and any such redemption or notice may, at the Co-Issuers' discretion, be subject to one or more conditions precedent, including, but not limited to, completion of such Equity Offering. Upon surrender to the Trustee or Paying Agent, such Notes called for redemption shall be paid at the Redemption Price (which shall include accrued interest and Additional Interest, if any, thereon to, but not including, the Redemption Date), but installments of interest, the maturity of which is on or prior to the Redemption Date, shall be payable to Holders of record at the close of business on the relevant Record Dates. On and after the Redemption Date interest and Additional Interest, if any, shall cease to accrue on Notes or portions thereof called for redemption unless the Co-Issuers shall have not complied with their

respective obligations pursuant to Section 3.05. Failure to give notice or any defect in the notice to any Holder shall not affect the validity of the notice to any other Holder.

SECTION 3.05. Deposit of Redemption Price.

On or before 12:00 p.m. New York City time on the Redemption Date, the Co-Issuers shall deposit with the Paying Agent U.S. Legal Tender sufficient to pay the Redemption Price plus accrued and unpaid interest and Additional Interest, if any, of all Notes (or portions thereof) to be redeemed on that date. The Trustee or the Paying Agent shall promptly return to the Co-Issuers any money deposited with the Trustee or the Paying Agent by the Co-Issuers in excess of the amounts necessary to pay the Redemption Price (including accrued and unpaid interest and Additional Interest, if any) for all Notes to be redeemed. In addition, so long as no payment Default or Event of Default has occurred and is continuing, all money, if any, earned on funds held by the Paying Agent shall be remitted to the Co-Issuers to the extent not applied to payments on the Notes.

SECTION 3.06. Notes Redeemed in Part.

If any Note is to be redeemed in part only, the notice of redemption that relates to such Note shall state the portion of the principal amount thereof to be redeemed. A new Note or Notes in principal amount equal to the unredeemed portion of the original Note or Notes shall be issued in the name of the Holder thereof upon surrender and cancellation of the original Note or Notes; *provided* that each new Note will be in a principal amount of $2,000 or an integral multiple of $1,000 in excess thereof.

SECTION 3.07. Optional Redemption.

The Notes shall be optionally redeemable as set forth in Section 5, Section 6 and Section 7 of the Notes. Any such redemption shall be made in accordance with the provisions of this Article Three.

ARTICLE FOUR

COVENANTS

SECTION 4.01. Payment of Notes.

The Co-Issuers shall pay the principal of (and premium, if any) and interest (including Additional Interest, if any) on the Notes in the manner provided in the Notes, the Registration Rights Agreement and this Indenture. An installment of principal of, or interest or Additional Interest, if any, on, the Notes shall be considered paid on the date it is due if the Trustee or Paying Agent, other than the Company or a Subsidiary of the Company, (or if the Company or any of its Subsidiaries is the Paying Agent, the segregated account or separate trust fund maintained by the Company or such Subsidiary pursuant to Section 2.04) holds on that date as of 12:00 p.m. New York City time U.S. Legal Tender designated for and sufficient to pay the installment. Interest on the Notes shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

The Co-Issuers shall pay interest on overdue principal (including, without limitation, post-petition interest in a proceeding under any Bankruptcy Law), and overdue interest and Additional Interest, if any, to the extent lawful, at the same rate *per annum* borne by the Notes.

SECTION 4.02. Maintenance of Office or Agency.

The Co-Issuers shall maintain the office required under Section 2.03 (which may be an office of the Trustee or an Affiliate of the Trustee or Registrar). The Co-Issuers shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Co-Issuers shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the address of the Trustee set forth in Section 11.02.

The Co-Issuers may also from time to time designate one or more other offices or agencies where the Notes may be presented for payment or surrendered for any or all such purposes and may from time to time rescind such designations. The Co-Issuers shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Co-Issuers hereby designate the Corporate Trust Office of the Trustee as one such office or agency of the Co-Issuers in accordance with Section 2.03 of this Indenture.

SECTION 4.03. Corporate Existence.

Except as otherwise permitted by Section 4.13 and Article Five, each Co-Issuer shall do or cause to be done all things reasonably necessary to preserve and keep in full force and effect its corporate existence and the corporate, partnership or other existence of each Restricted Subsidiary in accordance with the respective organizational documents of each such Restricted Subsidiary and the material rights (charter and statutory) and material franchises of each Co-Issuer and each Restricted Subsidiary; *provided*, *however*, that the Co-Issuers shall not be required to preserve any such right, franchise or corporate existence with respect to itself or any Restricted Subsidiary, if the loss thereof would not, individually or in the aggregate, have a material adverse effect on the Company and the Restricted Subsidiaries, taken as a whole.

SECTION 4.04. Payment of Taxes.

The Co-Issuers and the Guarantors shall, and shall cause each of the Restricted Subsidiaries to, pay or discharge or cause to be paid or discharged, before the same shall become delinquent, all material taxes, assessments and governmental charges levied or imposed upon them or any of the Restricted Subsidiaries or upon the income, profits or property of them or any of the Restricted Subsidiaries; *provided*, *however*, that the Co-Issuers and the Guarantors shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount the applicability or validity is being contested in good faith by appropriate actions and for which appropriate provision has been made, or any such tax, assessment, charge or claim that would not reasonably be expected to have a material adverse effect on the Co-Issuers and the Guarantors taken as a whole.

SECTION 4.05. Limitations on Business Activities of Logistics Finance .

Logistics Finance (or any other Subsidiary of the Company that serves as a co-issuer of the Notes) shall not hold any material assets, become liable for any material obligations, engage in any trade or business, or conduct any business activity, other than the issuance of the Equity Interest to the Company or any Wholly Owned Restricted Subsidiary, the incurrence of Indebtedness as a co-obligor or guarantor of Indebtedness incurred by the Company or any Restricted Subsidiary, including the Notes, that is permitted to be incurred by the Company or any Restricted Subsidiary pursuant to Section 4.10 hereof and activities incidental thereto.

For so long as the Company or any successor obligor under the Notes is a Person that is not incorporated in the United States of America, any State of the United States or the District of Columbia there will be a co-issuer of the Notes that is a Wholly Owned Restricted Subsidiary of the Company and that is a corporation organized and incorporated in the United States of America, any State of the United States or the District of Columbia.

SECTION 4.06. Compliance Certificate; Notice of Default .

(a) Each Co-Issuer shall deliver to the Trustee, within 165 days after the close of each fiscal year of such Co-Issuer beginning with the fiscal year ending December 31, 2011, an Officers' Certificate, one of the signatories of which shall be the chief executive officer, chief financial officer or chief accounting officer of such Co-Issuer, stating that a review of the activities of such Co-Issuer and, in the case of the Officer's Certificate delivered by the Company and the Guarantors has been made under the supervision of the signing Officers with a view to determining whether such Co-Issuer and the Guarantors (if applicable) have kept, observed, performed and fulfilled their obligations under this Indenture and further stating, as to each such Officer signing such certificate, that to the best of such Officer's actual knowledge, such Co-Issuer and the Guarantors (if applicable) during such preceding fiscal year have kept, observed, performed and fulfilled their respective obligations under this Indenture in all material respects and as of the date of such certificate, there is no Default or Event of Default that has occurred and is continuing or, if such signing Officers do know of such Default or Event of Default, the certificate shall specify such Default or Event of Default and what action, if any, the Co-Issuers are taking or proposes to take with respect thereto. The Officers' Certificate shall also notify the Trustee should either Co-Issuer elect to change the manner in which it fixes its fiscal year end.

(b) The Co-Issuers shall deliver to the Trustee as promptly as practicable and in any event within 30 days after the Co-Issuers (or any of their Officers) become aware of the occurrence of any Default an Officers' Certificate specifying the Default or Event of Default and what action, if any, the Co-Issuers are taking or propose to take with respect thereto.

SECTION 4.07. Payments for Consent.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes unless such consideration is offered to be paid to all Holders that

consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

SECTION 4.08. Waiver of Stay, Extension or Usury Laws.

Each Co-Issuer and each Guarantor covenants (to the extent permitted by applicable law) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law which may affect the covenants or the performance of this Indenture, and (to the extent permitted by applicable law) each hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 4.09. Change of Control.

If a Change of Control occurs, the Co-Issuers shall be required to make an offer to repurchase all of the Notes as described below (the " **Change of Control Offer**"). In the Change of Control Offer, the Co-Issuers shall offer a payment in cash (" **Change of Control Payment**") equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest and Additional Interest, if any, on the Notes repurchased, to the date of purchase, subject to the rights of Holders on the relevant Record Date to receive interest due on the relevant Interest Payment Date. Within 30 days following any Change of Control or at the Co-Issuers' option, prior to such Change of Control but after it is publicly announced, the Co-Issuers shall deliver electronically or mail or cause to be mailed a notice to each Holder, with a copy to the Trustee, describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the Change of Control Payment Date specified in the notice (the " **Change of Control Payment Date**"), which date shall be no earlier than 30 days and no later than 60 days from the date such notice is electronically delivered or mailed, other than as may be required by law, pursuant to the procedures described below. If the notice is sent prior to the occurrence of the Change of Control, it may be conditioned upon the consummation of the Change of Control. Such notice, whether sent before or after the consummation of the Change of Control, shall state:

(1) that the Change of Control Offer is being made pursuant to this Section 4.09 and to the extent lawful that all Notes tendered and not withdrawn shall be accepted for payment;

(2) the purchase price (including the amount of accrued interest) and the Change of Control Payment Date;

(3) that any Note not tendered shall continue to accrue interest in accordance with the terms thereof;

(4) that, unless the Co-Issuers default in making payment therefor, any Note accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest on and after the Change of Control Payment Date;

(5) that Holders electing to have a Note purchased pursuant to a Change of Control Offer shall be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, or transfer by book-entry transfer, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day prior to the Change of Control Payment Date;

(6) that Holders shall be entitled to withdraw their election if the Paying Agent receives, not later than two Business Days prior to the Change of Control Payment Date, a facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Notes the Holder delivered for purchase, certificate numbers, if applicable, and a statement that such Holder is withdrawing its election to have such Note purchased; and

(7) that Holders whose Notes are purchased only in part shall be issued new Notes in a principal amount equal to the unpurchased portion of the Notes surrendered (equal to $2,000 or an integral multiple of $1,000 in excess thereof).

On or before the Change of Control Payment Date, the Co-Issuers shall, to the extent lawful:

(1) accept for payment all Notes or portions of Notes in minimum amounts equal to $2,000 or an integral multiple of $1,000 in excess thereof, properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent U.S. Legal Tender equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Co-Issuers.

The Paying Agent shall promptly mail or pay by wire transfer to each Holder whose Notes have been properly tendered the Change of Control Payment for such Notes, and the Trustee shall promptly authenticate pursuant to an Authentication Order and mail (or cause to be transferred by book-entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each new Note shall be in a principal amount of $2,000 or an integral multiple of $1,000 in excess thereof. So long as no payment Default or Event of Default has occurred and is continuing and to the extent not applied to make payments on the Notes, the Paying Agent shall return to the Co-Issuers any cash that remains unclaimed, together with interest, if any, thereon, held by them for the payment of the Redemption Price. However, if the Change of Control Payment Date is on or after an interest record date and on or before the related Interest Payment Date, any accrued and unpaid interest shall be paid to the Person in whose name a Note is registered at the close of business on such Record Date, and no additional interest shall be payable to Holders who tender Notes pursuant to the Change of Control Offer.

The Co-Issuers shall inform the Holders of the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date. The Co-Issuers

shall be required to make a Change of Control Offer regardless of whether the provisions of Section 5.01 also apply in connection with the applicable Change of Control.

The Co-Issuers shall not be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Co-Issuers and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer or (2) notice of redemption has been given in respect of all of the Notes then outstanding pursuant to Section 5 or Section 6 of the Notes, unless and until there is a Default in payment of the applicable Redemption Price.

The Co-Issuers shall comply with the requirements of any securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Section 4.09, the Co-Issuers shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Section 4.09 by virtue of such compliance.

SECTION 4.10. Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock .

(a) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, " **incur**") any Indebtedness (including Acquired Debt), and the Company shall not issue any shares of Disqualified Stock and the Company shall not permit any of its Restricted Subsidiaries to issue any shares of Disqualified Stock or preferred stock; *provided*, *however*, that the Company may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock, and any Restricted Subsidiary may incur Indebtedness (including Acquired Debt), issue shares of Disqualified Stock or issue shares of preferred stock, if the Fixed Charge Coverage Ratio for the Company's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or preferred stock is issued, as the case may be, would have been at least 2.0 to 1.0, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock or the preferred stock had been issued, as the case may be, at the beginning of such four-quarter period; *provided, further*, that (i) Restricted Subsidiaries that are not Guarantors may not incur Indebtedness or issue Disqualified Stock or preferred stock if, after giving pro forma effect to such incurrence or issuance (including pro forma application of the net proceeds therefrom) more than $25.0 million in the aggregate of Indebtedness, Disqualified Stock and preferred stock of Restricted Subsidiaries that are not Guarantors would be outstanding pursuant to this paragraph and (ii) Logistics Finance may incur Indebtedness in connection with serving as a co-obligor or guarantor of Indebtedness incurred by the Company or any Restricted Subsidiary that is otherwise permitted by this Section 4.10.

(b) Section 4.10(a) shall not prohibit the incurrence of any of the following items of Indebtedness (collectively, " **Permitted Debt**"):

(1) the incurrence by the Co-Issuers or any Guarantor of Indebtedness and letters of credit under one or more Credit Facilities in an aggregate amount at any time outstanding under this clause (1) not to exceed $80.0 million, *less* the amount of Non-Recourse Debt outstanding under clause (16) below;

(2) the incurrence by the Company and its Restricted Subsidiaries of the Existing Indebtedness;

(3) the incurrence of the Notes on the Issue Date, the Note Guarantees and the Exchange Securities and/or Private Exchange Securities to be issued pursuant to the Registration Rights Agreement;

(4) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money or other obligations, in each case, incurred for the purpose of acquiring assets or a business that is a Permitted Business or financing all or any part of the purchase price or cost of design, construction, installation or improvement of property, plant or equipment (including, without limitation, Vessels and Related Assets) used in the business of the Company or any of its Restricted Subsidiaries and Permitted Refinancing Indebtedness in respect thereof, in an aggregate amount not to exceed at any time outstanding the greater of (A) $30.0 million and (B) 5.0% of Total Assets;

(5) Indebtedness of the Company or any of its Restricted Subsidiaries incurred to finance the replacement (through construction, acquisition, lease or otherwise) of one or more Vessels or Vessel Related Assets, upon a total loss, destruction, condemnation, confiscation, requisition, seizure, forfeiture or a taking of title to or use of such Vessel (collectively, a "**Total Loss**") in an aggregate amount no greater than the ready for sea cost (as determined in good faith by the Company) for such replacement Vessel, in each case, less all compensation, damages and other payments (including insurance proceeds other than in respect of business interruption insurance) actually received by the Company or any of its Restricted Subsidiaries from any Person in connection with the Total Loss in excess of amounts actually used to repay Indebtedness secured by the Vessel subject to the Total Loss;

(6) Indebtedness of the Company or any Restricted Subsidiary incurred in relation to: (i) maintenance, repairs, refurbishments and replacements required to maintain the classification of any of the Vessels owned, leased, time chartered or bareboat chartered to or by the Company or any Restricted Subsidiary; (ii) drydocking of any of the Vessels owned or leased by the Company or any Restricted Subsidiary for maintenance, repair, refurbishment or replacement purposes in the ordinary course of business; and (iii) any expenditures which will or may be reasonably expected to be recoverable from insurance on such Vessels;

(7) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in respect of Indebtedness (other than intercompany Indebtedness) that was permitted to be incurred under Section 4.10(a) or Sections 4.10(b)(2), (b)(3), (b)(5), (b)(6), (b)(7) or (b)(14);

(8) the incurrence of Indebtedness by the Company owed to a Restricted Subsidiary and Indebtedness by any Restricted Subsidiary owed to the Company or any other Restricted Subsidiary; *provided*, *however*, that upon any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or such Indebtedness being owed to any Person other than the Company or a Restricted Subsidiary, the Company or such Restricted Subsidiary, as applicable, shall be deemed to have incurred Indebtedness not permitted by this clause (8);

(9) the issuance by any of the Company's Restricted Subsidiaries to the Company or to any of its Restricted Subsidiaries of shares of Disqualified Stock or preferred stock; *provided*, *however*, that:

(A) any subsequent issuance or transfer of Equity Interests that results in any such Disqualified Stock or preferred stock being held by a Person other than the Company or a Restricted Subsidiary of the Company; and

(B) any sale or other transfer of any such Disqualified Stock or preferred stock to a Person that is neither the Company nor a Restricted Subsidiary of the Company;

shall be deemed, in each case, to constitute an issuance of such Disqualified Stock or preferred stock by such Restricted Subsidiary that is not permitted by this clause (9);

(10) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Hedging Obligations;

(11) the guarantee by a Co-Issuer or any Guarantor of Indebtedness of a Co-Issuer or a Restricted Subsidiary of the Company that was permitted to be incurred by another provision of this Section 4.10; *provided* that if the Indebtedness being guaranteed is contractually subordinated to the Notes or a Guarantee, then the guarantee shall be contractually subordinated to the same extent as the Indebtedness guaranteed;

(12) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness in respect of workers' compensation claims, unemployment insurance, health, disability and other employee benefits or property, casualty or liability insurance, self-insurance obligations, bankers' acceptances, or performance, completion, bid, appeal and surety bonds, in each case, in the ordinary course of business;

(13) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is covered within five Business Days;

(14) Indebtedness, Disqualified Stock or preferred stock of (x) the Company or a Restricted Subsidiary incurred or issued to finance an acquisition or (y) a Person acquired by the Company or a Restricted Subsidiary or merged, consolidated, amalgamated or liquidated with or into a Restricted Subsidiary or the Company; *provided*, *however*, that after giving effect to such incurrence or issuance (and the related acquisition, merger, consolidation, amalgamation or liquidation), the Fixed Charge Coverage Ratio for the Company's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or preferred stock is issued, as the case may be, would have been at least 1.75 to 1.0;

(15) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness consisting of guarantees, earn-outs, indemnities or obligations in respect of purchase price adjustments in connection with the disposition or acquisition of assets, including, without limitation, shares of Capital Stock;

(16) Non-Recourse Debt incurred by a Securitization Subsidiary in a Qualified Securitization Transaction;

(17) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness constituting reimbursement obligations with respect to letters of credit so long each such obligation is satisfied within 30 days of the incurrence thereof; and

(18) the incurrence by the Company or any of its Restricted Subsidiaries of additional Indebtedness, Disqualified Stock or preferred stock in an aggregate amount at any time outstanding, including all Permitted Refinancing Indebtedness incurred pursuant to this clause (18), not to exceed the greater of (A) $30.0 million and (B) 5.0% of Total Assets.

(c) For purposes of determining compliance with this Section 4.10, in the event that an item of proposed Indebtedness, Disqualified Stock or preferred stock meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (18) of Section 4.10(b), or is entitled to be incurred pursuant to Section 4.10(a), the Company, in its sole discretion, may classify such item of Indebtedness, Disqualified Stock and preferred stock (or any portion thereof) on the date of its incurrence, or later reclassify, all or a portion of such item of Indebtedness, Disqualified Stock or preferred stock, in any manner that complies with this Section 4.10. Indebtedness under any Credit Facilities (including the Credit Agreement but excluding the Navios Holdings Loan Facility) outstanding or committed to on the Issue Date will be deemed to have been incurred on such date in reliance on the exception provided by Section 4.10(b)(2) hereof (whether or not outstanding on such date) but thereafter may be reclassified in any manner that complies with this Section 4.10.

(d) The accrual of interest, the accrual of dividends, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends on Disqualified Stock or preferred stock in the form of additional shares of the same class of Disqualified Stock or preferred stock, as the case may be, shall not be deemed to be an incurrence of Indebtedness

or an issuance of Disqualified Stock or preferred stock for purposes of this Section 4.10; *provided*, in each such case, that the amount thereof is included in Fixed Charges of the Company as accrued.

(e) The amount of any Indebtedness outstanding as of any date shall be:

(1) the accreted value of such Indebtedness, in the case of any Indebtedness issued with original issue discount;

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness;

(3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(A) the Fair Market Value of such assets at the date of determination; and

(B) the amount of the Indebtedness of the other Person that is secured by such assets; and

(4) in respect of the Indebtedness incurred by a Securitization Subsidiary, the amount of Obligations outstanding under the legal documents entered into as part of a Qualified Securitization Transaction on any date of determination characterized as principal or that would be characterized as principal if such securitization were structured as a secured lending transaction rather than as a purchase.

(f) For purposes of determining compliance with this Section 4.10, (i) Acquired Debt shall be deemed to have been incurred by the Company or its Restricted Subsidiaries, as the case may be, at the time an acquired Person becomes such a Restricted Subsidiary of the Company (or is merged into the Company or such a Restricted Subsidiary) or at the time of the acquisition of assets, as the case may be, (ii) the maximum amount of Indebtedness, Disqualified Stock or preferred stock that the Company and its Restricted Subsidiaries may incur pursuant to this Section 4.10 shall not be deemed to be exceeded, with respect to any outstanding Indebtedness, Disqualified Stock or preferred stock due solely to the result of fluctuations in the exchange rates of currencies and (iii) the outstanding principal amount of any particular Indebtedness shall be counted only once and any obligations arising under any guarantee, Lien, letter of credit or similar instrument supporting such Indebtedness permitted to be incurred under this covenant shall not be double counted.

(g) For purposes of determining compliance of any non-U.S. dollar-denominated Indebtedness with this Section 4.10, the amount outstanding under any U.S. dollar equivalent principal amount of Indebtedness denominated in a foreign currency shall at all times be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term Indebtedness, or first committed, in the case of revolving Indebtedness (in each case determined, if available, by the rate of exchange quoted by Reuters at 10:00 a.m. (New York time) on the date of determination for spot purchases of the non-U.S. dollar currency with U.S. dollars and otherwise in accordance with customary

practice); *provided*, *however*, that if such Indebtedness is incurred to refinance other Indebtedness denominated in the same or different currency, such refinancing shall be calculated at the relevant currency exchange rate in effect on the date of the initial incurrence of Indebtedness in respect thereof (which may reflect multiple refinancings in which case the time of incurrence of the initial Indebtedness shall be applicable), so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced plus any costs or premiums incurred in connection with such refinancing.

(h) Notwithstanding anything to the contrary in this Section 4.10, a Restricted Subsidiary that is formed or organized under the laws of the Republic of Paraguay shall not be permitted to directly incur Indebtedness in excess of $20.0 million at any one time outstanding which, to the knowledge of the Company or such Restricted Subsidiary, is or would be initially owed to a resident of the Republic of Paraguay. For clarity purposes, the foregoing provision will not limit the ability of such Restricted Subsidiary to guarantee any Indebtedness that is otherwise permitted by this covenant.

SECTION 4.11. Limitations on Restricted Payments.

(a) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly:

(i) pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger, amalgamation or consolidation involving the Company or any of its Restricted Subsidiaries) or to the holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than (A) dividends or distributions payable in Qualified Equity Interests or (B) dividends or other payments or distributions payable to the Company or a Restricted Subsidiary of the Company);

(ii) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation) any Equity Interests of the Company or any direct or indirect parent of the Company;

(iii) make any voluntary or optional principal payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value, any Indebtedness of the Co-Issuers or any Guarantor that is contractually subordinated to the Notes or any Guarantee (excluding any Indebtedness owed to and held by the Company or any of its Restricted Subsidiaries), other than (x) payments of principal at the Stated Maturity thereof and (y) payments, purchases, redemptions, defeasances or other acquisitions or retirements for value in anticipation of satisfying a scheduled maturity, sinking fund or amortization or other installment obligation or mandatory redemption, in each case, due within one year of the Stated Maturity thereof; or

(iv) make any Restricted Investment

(all such payments and other actions set forth in clauses (i) through (iv) above being collectively referred to as " **Restricted Payments**"), unless, at the time of and after giving effect to such Restricted Payment:

(1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(2) the Company would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.10(a); and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries since the Issue Date (excluding Restricted Payments permitted by clauses (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12) and (14) of Section 4.11(b)), is not greater than the sum, without duplication, of:

(A) 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period) from January 1, 2011 to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); *plus*

(B) (i) 100% of the aggregate net cash proceeds and (ii) 100% of the Fair Market Value of the property and assets other than cash, in each case, received by the Company after the Issue Date as a contribution to its equity capital or from the issue or sale (other than to a Restricted Subsidiary of the Company) of Qualified Equity Interests, including upon the exercise of options or warrants, or from the issue or sale (other than to a Restricted Subsidiary of the Company) of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Company that have been converted into or exchanged for Qualified Equity Interests, together with the aggregate cash and Cash Equivalents received by the Company or any of its Restricted Subsidiaries at the time of such conversion or exchange; *plus*

(C) to the extent that any Restricted Investment that was made after the Issue Date is sold or otherwise liquidated or repaid for cash or Cash Equivalents, the return of capital in cash or Cash Equivalents with respect to such Restricted Investment (less the cost of disposition, if any); *plus*

(D) to the extent that any Unrestricted Subsidiary of the Company is redesignated as a Restricted Subsidiary after the Issue Date or is merged into the Company or a Restricted Subsidiary or transfers all or substantially all its assets to the Company or a Restricted Subsidiary, the Fair Market Value of the Investment

of the Company and its Restricted Subsidiaries in such Subsidiary (or the assets so transferred, if applicable) as of the date of such redesignation (other than to the extent of such Investment in such Unrestricted Subsidiary that was made as a Permitted Investment); *plus*

(E) any amount which previously treated as a Restricted Payment on account of any guarantee entered into by the Company or a Restricted Subsidiary upon the unconditional release of such guarantee.

(b) The preceding provisions shall not prohibit:

(1) the payment of any dividend or other distribution within 60 days after the date of declaration of the dividend or other distribution, if at the date of declaration such payment would have complied with the provisions of this Indenture;

(2) the making of any Restricted Payment in exchange for, or out of the net proceeds of the substantially concurrent sale or issuance (other than to a Restricted Subsidiary of the Company), including upon exercise of an option or warrant, of, Qualified Equity Interests or from the substantially concurrent contribution of equity capital with respect to Qualified Equity Interests to the Company; *provided* that the amount of any such net proceeds that are utilized for any such Restricted Payment shall be excluded from clause (3)(B) of Section 4.11(a);

(3) the payment, defeasance, redemption, repurchase or other acquisition or retirement for value of Indebtedness of the Company or any of its Restricted Subsidiaries that is contractually subordinated to the Notes or to any Guarantee with the net proceeds from a substantially concurrent incurrence of Permitted Refinancing Indebtedness or in exchange for Qualified Equity Interests;

(4) the payment of any dividend or other distribution (or, in the case of any partnership, limited liability company or similar entity, any similar distribution) by a Restricted Subsidiary of the Company to the holders of its Equity Interests on a *pro rata* basis taking into account the relative preferences, if any, of the various classes of Equity Interests in such Restricted Subsidiary;

(5) the repurchase, redemption or other acquisition or retirement for value of any Qualified Equity Interests of the Company or any of its Restricted Subsidiaries held by any current or former officer, director, consultant or employee of the Company or any of its Restricted Subsidiaries (or Heirs or other permitted transferees thereof); *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed $3.0 million in any calendar year; *provided*, *further*, that such amount may be increased by an amount not to exceed:

(A) the cash proceeds from the sale of Qualified Equity Interests of the Company to directors, officers, employees or consultants of the Company or any of its Restricted Subsidiaries that occurs after the Issue Date (*provided* that the amount of such cash proceeds utilized for any such repurchase, redemption,

acquisition or other retirement shall not increase the amount available for Restricted Payments pursuant to Section 4.11(a)(3)(B); *plus*

(B) the cash proceeds of key-man life insurance policies received by the Company or any Restricted Subsidiary after the Issue Date;

provided that to the extent that any portion of the $3.0 million annual limit on such redemptions or repurchases is not utilized in any year, such unused portion may be carried forward and be utilized in one or more subsequent years;

(6) cancellation of Indebtedness owing to the Company from members of management of the Company in connection with a repurchase of Qualified Equity Interests of the Company pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or other agreement or arrangement approved by the Board of Directors to the extent such Indebtedness was issued to such member of management as consideration for the purchase of the Qualified Equity Interests so repurchased;

(7) so long as no Default or Event of Default has occurred and is continuing or would result thereby, any dividend or distribution consisting of Equity Interests of an Unrestricted Subsidiary or the proceeds of the sale of Equity Interests of an Unrestricted Subsidiary;

(8) the repurchase of Equity Interests deemed to occur upon the exercise of options, warrants or other convertible securities to the extent such Equity Interests represent a portion of the exercise price of those options, warrants or other convertible securities and cash payments in lieu of the issuance of fractional shares in connection with the exercise of options, warrants or other convertible securities;

(9) so long as no Default or Event of Default has occurred and is continuing or would result thereby, the declaration and payment of cash dividends on Designated Preferred Stock in accordance with the certificate of designations therefor; *provided* that at the time of issuance of such Designated Preferred Stock, the Company would, after giving pro forma effect thereto as if such issuance had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.10(a);

(10) so long as no Default or Event of Default has occurred and is continuing or would result thereby, the declaration and payment of cash dividends to holders of any class or series of Disqualified Stock of the Company issued in accordance with Section 4.10;

(11) payments made to purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness of the Company or any of its Restricted Subsidiaries that is contractually subordinated to the Notes or to any Guarantee (i) following the occurrence of a Change of Control, at a purchase price not greater than 101% of

the outstanding principal amount (or accreted value, in the case of any debt issued at a discount from its principal amount at maturity) thereof, plus accrued and unpaid interest, if any, after the Company and its Restricted Subsidiaries have satisfied their obligations with respect to a Change of Control Offer set forth under Section 4.09 or (ii) with the Excess Proceeds of one or more Asset Sales, at a purchase price not greater than 100% of the principal amount (or accreted value, in the case of any debt issued at a discount from its principal amount at maturity) thereof, plus accrued and unpaid interest, if any, after the Company and its Restricted Subsidiaries have satisfied their obligations with respect to such Excess Proceeds pursuant to Section 4.13 to the extent that such subordinated Indebtedness is required to be repurchased or redeemed pursuant to the terms thereof as a result of such Change of Control or Asset Sale;

(12) payments pursuant to clause (7) of Section 4.14(b);

(13) so long as no payment Default or Event of Default has occurred and is continuing or would result thereby, the payment of cash dividends on the Company's shares of common stock (or the payment of dividends to any direct or indirect parent entity to fund a payment of dividends on such entity's common stock), following the consummation of the first public offering of the Company's common stock or the common stock of any of its direct or indirect parent companies after the Issue Date, of up to 6% per annum of the net cash proceeds received by or contributed to the Company in or from any such public offering, other than public offerings with respect to the Company's common stock registered on Form S/F-4 or Form S-8, or any successor Form; and

(14) other Restricted Payments in an aggregate amount not to exceed $20.0 million since the Issue Date.

The amount of all Restricted Payments (other than cash and Cash Equivalents) shall be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

(c) For purposes of determining compliance with this Section 4.11, in the event that a Restricted Payment permitted pursuant to this Section 4.11 or a Permitted Investment meets the criteria of more than one of the categories of Restricted Payment described in Section 4.11(b)(1) through (b)(14) hereof or one or more clauses of the definition of "Permitted Investment", the Company shall be permitted to classify such Restricted Payment or Permitted Investment (or any portion thereof) on the date it is made, or later reclassify, all or a portion of such Restricted Payment or Permitted Investment, in any manner that complies with this Section 4.11, and such Restricted Payment or Permitted Investment shall be treated as having been made pursuant to only one of such clauses of this Section 4.11 or of the definition of Permitted Investments.

SECTION 4.12. Limitations on Liens.

(a) The Company shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Lien that secures obligations under any Indebtedness or any related guarantee, on any asset of the Company or any Restricted Subsidiary, whether owned on the Issue Date or thereafter acquired, except Permitted Liens, unless contemporaneously therewith:

(1) in the case of any Lien securing an obligation that ranks *pari passu* with the Notes or a Guarantee, effective provision is made to secure the Notes or such Guarantee, as the case may be, at least equally and ratably with or prior to such obligation with a Lien on the same collateral; and

(2) in the case of any Lien securing an obligation that is subordinated in right of payment to the Notes or a Guarantee, effective provision is made to secure the Notes or such Guarantee, as the case may be, with a Lien on the same collateral that is prior to the Lien securing such subordinated obligation, in each case, for so long as such obligation is secured by such Lien (such Lien, the " **Primary Lien**").

(b) Any Lien created for the benefit of the Holders pursuant to Section 4.12(a) shall automatically and unconditionally be released and discharged upon the release and discharge of the Primary Lien, without any further action on the part of any Person.

SECTION 4.13. Limitations on Asset Sales.

(a) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Company or any of its Restricted Subsidiaries receives consideration at the time of the Asset Sale at least equal to the Fair Market Value (for the avoidance of doubt, the Fair Market Value may be determined at the time a contract is entered into for an Asset Sale) of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) at least 75% of the consideration received in the Asset Sale by the Company or such Restricted Subsidiary is in the form of cash or Cash Equivalents.

(b) For purposes of Section 4.13(a), each of the following shall be deemed to be cash:

(1) any Indebtedness or other liabilities, as shown on the Company's most recent consolidated balance sheet or the notes thereto, of the Company or any of its Restricted Subsidiaries (other than liabilities that are expressly subordinated to the Notes or any Guarantee) that are assumed, repaid or retired by the transferee (or a third party on behalf of the transferee) of any such assets;

(2) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee or any other Person on account of such

Asset Sale that are, within 180 days of the Asset Sale, converted, sold or exchanged by the Company or such Restricted Subsidiary into cash or Cash Equivalents, to the extent of the cash or Cash Equivalents received in that conversion, sale or exchange;

(3) the Fair Market Value of (i) any assets (other than securities and other than assets that are classified as current assets under GAAP) received by the Company or any Restricted Subsidiary to be used by it in a Permitted Business (including, without limitation, Vessels and Related Assets), (ii) Capital Stock in a Person that is a Restricted Subsidiary or in a Person engaged in a Permitted Business that shall become a Restricted Subsidiary immediately upon the acquisition of such Person by the Company or (iii) a combination of (i) and (ii); and

(4) any Designated Non-cash Consideration received by the Company or any Restricted Subsidiary in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-cash Consideration received pursuant to this Section 4.13(b) that is at that time outstanding, not to exceed the greater of (x) $25.0 million and (y) 4.0% of Total Assets of the Company at the time of the receipt of such Designated Non-cash Consideration, with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value.

(c) Within 365 days (subject to extensions pursuant to Section 4.13(d)) after the receipt of any Net Proceeds from an Asset Sale, the Company or any of its Restricted Subsidiaries shall apply such Net Proceeds to:

(1) repay or prepay any and all obligations under the Credit Facilities or any other Secured Indebtedness and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;

(2) acquire all or substantially all of the assets of, or any Capital Stock of, a Person engaged in a Permitted Business; *provided* that in the case of acquisition of Capital Stock of any Person, such Person is or becomes a Restricted Subsidiary of the Company;

(3) make a capital expenditure;

(4) acquire other assets that are not classified as current assets under GAAP and that are used or useful in a Permitted Business (including, without limitation, Vessels and Related Assets);

(5) make an Asset Sale Offer (and purchase or redeem other Indebtedness that is *pari passu* with the Notes containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets) in accordance with the provisions of this Section 4.13 and the other provisions of this Indenture; and/or

(6) any combination of the transactions permitted by the foregoing clauses (1) through (5).

(d) A (A) binding contract to apply Net Proceeds in accordance with clauses (2) through (4) above shall toll the 365-day period in respect of such Net Proceeds or (B) determination by the Company to potentially apply all or a portion of such Net Proceeds towards the exercise an outstanding Purchase Option Contract shall toll the 365-day period in respect of such Net Proceeds, in each case, for a period not to exceed 365 days from the expiration of the aforementioned 365-day period, *provided* that such binding contract and such determination, in each case, shall be treated as a permitted application of Net Proceeds from the date of such binding contract until and only until the earlier of (x) the date on which such acquisition or expenditure is consummated and (y) (i) in the case of any Construction Contract or any Exercised Purchase Option Contract (including any outstanding Purchase Option Contract exercised during the 365-day period referenced in clause (B) above), the date of expiration or termination of such Construction Contract or Exercised Purchase Option Contract and (ii) otherwise, the 365th day following the expiration of the aforementioned 365-day period (clause (i) or clause (ii) as applicable, the "**Reinvestment Termination Date**"). If such acquisition or expenditure is not consummated on or before the Reinvestment Termination Date and the Company (or the applicable Restricted Subsidiary, as the case may be) shall not have applied such Net Proceeds pursuant to clauses (1) through (6) above on or before the Reinvestment Termination Date, such binding contract shall be deemed not to have been a permitted application of the Net Proceeds.

Pending the final application of any Net Proceeds, the Company or any of its Restricted Subsidiaries may temporarily reduce outstanding Indebtedness or otherwise invest the Net Proceeds in any manner that is not prohibited by this Indenture.

(e) Any Net Proceeds from Asset Sales that are not applied or invested as provided in Section 4.13(c) shall constitute " **Excess Proceeds**." When the aggregate amount of Excess Proceeds exceeds $15.0 million, the Co-Issuers shall make an offer (an " **Asset Sale Offer**") to all Holders and all holders of other Indebtedness that is *pari passu* with the Notes containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of Notes and such other *pari passu* Indebtedness that may be required to be purchased out of the Excess Proceeds (the "**Payment Amount**"). The offer price for the Notes in any Asset Sale Offer shall be equal to 100% of principal amount of the Notes plus accrued and unpaid interest and Additional Interest thereon, if any, to the date of purchase (the " **Offered Price**"), and shall be payable in cash, and the offer or redemption price for such *pari passu* Indebtedness shall be as set forth in the related documentation governing such Indebtedness. If any Excess Proceeds remain after consummation of an Asset Sale Offer, such Excess Proceeds may be used for any purpose not otherwise prohibited by this Indenture. If the aggregate principal amount of Notes and other *pari passu* Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Trustee shall select the Notes and the Co-Issuers or the agent for such other *pari passu* Indebtedness shall select such other *pari passu* Indebtedness to be purchased on a *pro rata* basis (with adjustments so that no Notes or other *pari passu* Indebtedness are purchased, redeemed or repaid in unauthorized denominations). Upon completion of each Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero. The Co-Issuers may elect to satisfy their obligations to make an Asset Sale Offer prior to the expiration of the relevant period or with respect to Excess Proceeds of $15.0 million or less.

(f) Upon the commencement of an Asset Sale Offer, the Co-Issuers shall send, or cause to be sent, by first class mail, a notice to the Trustee and to each Holder at its registered address. The notice shall contain all instructions and materials necessary to enable such Holder to tender Notes pursuant to the Asset Sale Offer. Any Asset Sale Offer shall be made to all Holders. The notice, which shall govern the terms of the Asset Sale Offer, shall state:

(1) that the Asset Sale Offer is being made pursuant to this Section and that, to the extent lawful, all Notes tendered and not withdrawn will be accepted for payment (unless prorated);

(2) the Payment Amount, the Offered Price, and the date on which Notes tendered and accepted for payment shall be purchased, which date shall be at least 30 days and not later than 60 days from the date such notices is mailed (the " **Asset Sale Payment Date**");

(3) that any Notes not tendered or accepted for payment shall continue to accrue interest in accordance with the terms thereof;

(4) that, unless the Company defaults in making such payment, any Notes accepted for payment pursuant to the Asset Sale Offer shall cease to accrue interest on and after the Asset Sale Payment Date;

(5) that Holders electing to have any Notes purchased pursuant to any Asset Sale Offer shall be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, or transfer by book-entry transfer, to the Company, a depository, if appointed by the Company, or the Paying Agent at the address specified in the notice at least three days before the Asset Sale Payment Date;

(6) that Holders shall be entitled to withdraw their election if the Co-Issuers, the Depository or the Paying Agent, as the case may be, receives, not later than two Business Days prior to the Asset Sale Payment Date, a notice setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased;

(7) that if the aggregate principal amount of Notes surrendered by Holders exceeds the Payment Amount, the Co-Issuers shall select the Notes to be purchased on a *pro rata* basis (with such adjustments as may be deemed appropriate by the Co-Issuers so that only Notes in denominations of $2,000 or integral multiples of $1,000 in excess thereof, shall be purchased); and

(8) that Holders whose Notes were purchased only in part shall be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry).

(g) On the Asset Sale Payment Date, the Co-Issuers shall, to the extent lawful: (1) accept for payment all Notes or portions thereof properly tendered pursuant to the Asset Sale Offer, subject to pro ration if the aggregate Notes tendered exceed the Payment Amount

allocable to the Notes; (2) deposit with the Paying Agent U.S. Legal Tender equal to the lesser of the Payment Amount allocable to the Notes and the amount sufficient to pay the Offered Price in respect of all Notes or portions thereof so tendered; and (3) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions thereof being repurchased by the Co-Issuers. The Co-Issuers shall inform the Holders of the results of the Asset Sale Offer on or as soon as practicable after the Asset Sale Payment Date.

(h) The Paying Agent shall promptly mail or pay by wire transfer to each Holder whose Notes have been properly tendered the Offered Price for such Notes, and the Trustee shall promptly authenticate pursuant to an Authentication Order and mail (or cause to be transferred by book-entry) to each Holder a new Note equal in principal amount to any unrepurchased portion of the Notes surrendered, if any; *provided* that each such new Note shall be in principal amount of $2,000 or an integral multiple of $1,000 in excess thereof. So long as no payment Default or Event of Default has occurred and is continuing, and to the extent not applied to make payments on the Notes, the Paying Agent shall return to the Co-Issuers any cash that remains unclaimed, together with interest, if any, thereon, held by them for the payment of the Offered Price.

However, if the Asset Sale Payment Date is on or after a Record Date and on or before the related Interest Payment Date, any accrued and unpaid interest shall be paid to the Person in whose name a Note is registered at the close of business on such Record Date, and no additional interest shall be payable to Holders who tender Notes pursuant to the Asset Sale Offer.

(i) The Co-Issuers shall comply with the requirements of any securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with this Section 4.13, the Co-Issuers shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Section 4.13 by virtue of such compliance.

SECTION 4.14. Limitations on Transactions with Affiliates.

(a) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Company (each, an " **Affiliate Transaction**"), unless:

(1) the Affiliate Transaction is on terms that are not materially less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person, with such determination to be made at the time such Affiliate Transaction is entered into or agreed to; and

(2) the Company delivers to the Trustee:

(a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $10.0

million, a Board Resolution of the Board of Directors of the Company set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with this Section 4.14 and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors; and

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions (i) involving aggregate consideration in excess of $50.0 million or (ii) as to which there are no disinterested members of the Board of Directors, an opinion as to the fairness to the Company or such Restricted Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of international standing qualified to perform the task for which such firm has been engaged (as determined by the Company in good faith).

(b) The following items shall not be deemed to be Affiliate Transactions and, therefore, shall not be subject to Section 4.14(a):

(1) director, officer, employee and consultant compensation, benefit, reimbursement and indemnification agreements, plans and arrangements (and payment awards in connection therewith) entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business;

(2) transactions between or among the Company and/or its Restricted Subsidiaries;

(3) transactions with a Person (other than an Unrestricted Subsidiary of the Company) that is an Affiliate of the Company solely because the Company owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(4) any issuance of Qualified Equity Interests of the Company (other than Designated Preferred Stock) to an Affiliate and the granting or performance of registration rights in respect of any Qualified Equity Interests of the Company (other than Designated Preferred Stock), which rights have been approved by the Board of Directors of the Company;

(5) Restricted Payments that do not violate Section 4.11 and Investments consisting of Permitted Investments;

(6) transactions effected as part of a Qualified Securitization Transaction.

(7) the performance of obligations of the Company or any Restricted Subsidiary under the terms of the Shareholders Agreement and the Administrative Services Agreement, each as in effect as of or on the Issue Date and any amendment, modification, supplement, extension or renewal, from time to time, thereto or any transaction contemplated thereby (including pursuant to any amendment, modification, supplement, extension or renewal, from time to time, thereto) in any replacement agreement thereto, so long as any such amendment, modification, supplement, extension or renewal, or replacement agreement, is not materially more

disadvantageous to the Holders taken as a whole than the original agreement as in effect on the Issue Date; and

(8) the performance of obligations of the Company or any Restricted Subsidiary under the terms of any agreement that is in effect as of or on the Issue Date and disclosed in the Offering Memorandum (other than the Shareholders Agreement or the Administrative Services Agreement) or any amendment, modification, supplement, extension or renewal, from time to time, thereto or any transaction contemplated thereby (including pursuant to any amendment, modification, supplement, extension or renewal, from time to time, thereto) or in any replacement agreement thereto, so long as any such amendment, modification, supplement, extension or renewal, or replacement agreement, is not materially more disadvantageous to the Holders taken as a whole than the original agreement as in effect on the Issue Date.

SECTION 4.15. Dividend and Other Payment Restrictions Affecting Subsidiaries.

(a) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any of its Restricted Subsidiaries to:

(1) pay dividends or make any other distributions on its Capital Stock to the Company or any of its Restricted Subsidiaries, or pay any Indebtedness owed to the Company or any of its Restricted Subsidiaries;

(2) make loans or advances to the Company or any of its Restricted Subsidiaries; or

(3) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries.

(b) However, the restrictions set forth in Section 4.15(a) shall not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements, including, without limitation, those governing Existing Indebtedness and Credit Facilities, as in effect or committed to on the Issue Date and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of those agreements; *provided* that the amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date;

(2) this Indenture, the Notes and the Note Guarantees;

(3) applicable law, rules, regulations or order or governmental or other license, permit or concession;

(4) any instrument governing Indebtedness or Equity Interests of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Equity Interests were incurred or issued in connection with such acquisition to provide funds to consummate such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of this Indenture to be incurred;

(5) customary provisions restricting assignments, subletting or other similar transfers in contracts, licenses and other agreements (including, without limitation, leases and agreements relating to intellectual property) entered into in the ordinary course of business;

(6) purchase money obligations and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in Section 4.15(a)(3) hereof;

(7) any agreement for the sale or other disposition of a Restricted Subsidiary or an asset that restricts distributions by that Restricted Subsidiary or transfers of such asset pending the sale or other disposition;

(8) Permitted Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(9) Liens and agreements related thereto that were permitted to be incurred under the provisions of Section 4.12 that limit the right of the debtor to dispose of the assets or property subject to such Liens;

(10) provisions limiting the disposition or distribution of assets or property (including Capital Stock of any Person in which the Company has an Investment) in joint venture agreements, stockholder agreements, partnership agreements, limited liability company operating agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements, which limitation is applicable in all material respects only to the assets or property that are the subject of such agreements;

(11) restrictions on cash or other deposits or net worth imposed under contracts entered into in the ordinary course of business;

(12) customary provisions restricting the disposition of real property interests set forth in any easements or other similar agreements or arrangements of the Company or any Restricted Subsidiary;

(13) provisions restricting the transfer of any Capital Stock of an Unrestricted Subsidiary;

(14) Indebtedness of a Co-Issuer or Restricted Subsidiary incurred subsequent to the Issue Date pursuant to the provisions of Section 4.10 (i) if the encumbrances and restrictions contained in any such Indebtedness taken as a whole are not materially less favorable to the Holders than the encumbrances and restrictions contained in this Indenture or that may be contained in any Credit Facility in accordance with this Section 4.15 or (ii) if such encumbrance or restriction is customary in comparable financings (as determined in good faith by the Company) and either (x) the Company determines in good faith that such encumbrance or restriction shall not adversely affect in any material respect the Company's ability to make principal or interest payments on the Notes as and when due or (y) such encumbrance or restriction applies only in the event of and during the continuance of a default under such Indebtedness; and

(15) Non-Recourse Debt or other encumbrances, restrictions or contractual requirements of a Securitization Subsidiary in connection with a Qualified Securitization Transaction; *provided* that such restrictions apply only to such Securitization Subsidiary or the Securitization Assets that are subject to the Qualified Securitization Transaction.

SECTION 4.16. Subsidiary Guarantees.

(a) If the Company or any of its Restricted Subsidiaries acquires, creates, transfers assets to or otherwise invests in a Wholly Owned Restricted Subsidiary or redesignates an Unrestricted Subsidiary as a Restricted Subsidiary and such Restricted Subsidiary is a Wholly Owned Restricted Subsidiary (other than, in each case, (i) any Wholly Owned Restricted Subsidiary if the net book value of the total assets of such Wholly Owned Restricted Subsidiary, when taken together with the net book value of the total assets of all other Wholly Owned Restricted Subsidiaries that are not Guarantors as of such date, does not exceed $20.0 million, (ii) a Wholly Owned Restricted Subsidiary that is a Securitization Subsidiary or is Logistics Finance (or any other Subsidiary that is at such time a co-issuer of the Notes or (iii) any Wholly Owned Restricted Subsidiary if the laws of the jurisdiction of incorporation or formation of such Wholly Owned Restricted Subsidiary prohibit the issuance of such guarantee for the benefit of the Notes)) then such Wholly Owned Restricted Subsidiary shall become a Guarantor and shall, within 45 business days of the date of such acquisition, creation, transfer of assets, investment in or redesignation:

(1) execute and deliver to the Trustee a supplemental indenture substantially in the form of Exhibit D, pursuant to which such Wholly Owned Restricted Subsidiary shall unconditionally guarantee all of the Co-Issuers' obligations under the Notes and this Indenture on the terms set forth in this Indenture; and

(2) deliver to the Trustee one or more Opinions of Counsel that such supplemental indenture has been duly authorized, executed and delivered by such Wholly Owned Restricted Subsidiary and constitutes a valid and legally binding and enforceable obligation of such Wholly Owned Restricted Subsidiary, subject to customary exceptions.

Thereafter, such Wholly Owned Restricted Subsidiary shall be a Guarantor for all purposes of this Indenture.

(b) In addition, (i) to the extent that the collective net book value of the total assets of the Company's non-Guarantor Wholly Owned Restricted Subsidiaries, as of the date of the acquisition, creation, transfer of assets to, investment in or redesignation of a non-Guarantor Wholly Owned Restricted Subsidiary, exceeds $20.0 million, then, within 45 business days of such date, the Company shall cause one or more of such non-Guarantor Wholly Owned Restricted Subsidiaries to similarly execute a supplemental indenture (and deliver the related opinions of counsel), described above, pursuant to which such Wholly Owned Restricted Subsidiary or Wholly Owned Restricted Subsidiaries shall unconditionally guarantee all of the Company's obligations under the Notes and this Indenture, in each case, such that the collective net book value of the total assets of all remaining non-Guarantor Wholly Owned Restricted Subsidiaries does not exceed $20.0 million and (ii) the Company may, at its option, cause any other Restricted Subsidiary of the Company to guarantee its obligations under the Notes and this Indenture and enter into a supplemental indenture with respect thereto.

(c) The Note Guarantee of a Guarantor shall automatically and unconditionally (without any further action on the part of any Person) be released:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger, consolidation or amalgamation) to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary of the Company, if the sale or other disposition does not violate Section 4.13 or Section 4.14;

(2) in connection with any sale or other disposition of a majority of the Capital Stock of that Guarantor to a Person that is not (either before or after giving effect to such transaction) the Company or a Subsidiary of the Company, if (x) such Guarantor would no longer constitute a "Subsidiary " under this Indenture and (y) the sale or other disposition does not violate Section 4.13;

(3) if the Company designates any Restricted Subsidiary that is a Guarantor to be an Unrestricted Subsidiary in accordance with Section 4.18;

(4) upon liquidation or dissolution of such Guarantor;

(5) in the case of a Guarantor that is not a Wholly Owned Restricted Subsidiary that has voluntarily issued a Guarantee of the Notes, upon notice to the Trustee by the Company of the designation of such Guarantor as non-Guarantor Restricted Subsidiary if (x) the Company would be permitted to make an Investment in such Restricted Subsidiary at the time of such release equal to the Fair Market Value of the Investment of the Company and its other Restricted Subsidiaries in such Guarantor as either a Permitted Investment or pursuant to Section 4.11 and (y) all transactions entered into by such Restricted Subsidiary while a Guarantor would be permitted under this Indenture at the time its Guarantee is released; and

(6) upon Legal Defeasance or Covenant Defeasance or satisfaction and discharge of the Notes as provided below under Section 8.01, Section 8.03 and Section 8.04.

SECTION 4.17. Reports to Holders.

(a) Whether or not the Company is then subject to Section 13(a) or 15(d) of the Exchange Act, the Company shall furnish to the Trustee and the Holders, so long as the Notes are outstanding:

(1) within 75 days after the end of each of the first three fiscal quarters in each fiscal year, quarterly reports on Form 6-K (or any successor form) containing unaudited financial statements (including a balance sheet and statement of income, changes in stockholders' equity and cash flow) and a management's discussion and analysis of financial condition and results of operations (or equivalent disclosure) for and as of the end of such fiscal quarter (with comparable financial statements for the corresponding fiscal quarter of the immediately preceding fiscal year);

(2) within 150 days after the end of each fiscal year, an annual report on Form 20-F (or any successor form) containing the information required to be contained therein for such fiscal year; and

(3) at or prior to such times as would be required to be filed or furnished to the SEC if the Company was then a "foreign private issuer" subject to Section 13(a) or 15(d) of the Exchange Act, all such other reports and information that the Company would have been required pursuant thereto;

provided, *however*, that to the extent that the Company ceases to qualify as a "foreign private issuer" within the meaning of the Exchange Act, whether or not the Company is then subject to Section 13(a) or 15(d) of the Exchange Act, the Company shall furnish to the Trustee and the Holders, so long as any Notes are outstanding, within 60 days of the respective dates on which the Company would be required to file such documents with the SEC if it was required to file such documents under the Exchange Act, all reports and other information that would be required to be filed with (or furnished to) the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act and, *provided*, *further*, that prior to the consummation of the Exchange Offer or the effectiveness of a Shelf Registration Statement relating to the Notes, such reports will not be required to contain any officers' certificates or the separate financial information for Guarantors and non-guarantors that would be required under Rule 3-10 of Regulation S-X promulgated by the SEC, *provided*, *however*, that in lieu thereof the Company will provide the summary information concerning revenues, EBITDA, assets and liabilities of Guarantors and non-guarantors in a manner consistent in all material respects with that set forth under "Summary—The Offering" in the Offering Memorandum for the period(s) covered by each such report.

(b) In addition, following the consummation of the Exchange Offer or the effectiveness of a Shelf Registration Statement, whether or not required by the rules and regulations of the SEC, the Company shall electronically file or furnish, as the case may be, a copy of all such information and reports referred to in clauses (1) through (3) of Section 4.17(a)

that it would be required to file as a foreign private issuer with the SEC for public availability within the time periods specified therein (unless the SEC shall not accept such a filing with respect to periods after the Exchange Offer or the effectiveness of a Shelf Registration Statement) and make such information available to securities analysts and prospective investors upon request. In addition, the Company agrees that, for so long as any Notes remain outstanding, it shall furnish to the Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

(c) Notwithstanding the foregoing provisions of this Section 4.17, the Company shall be deemed to have furnished, in compliance with this Section 4.17, such reports referred to in Section 4.17(a) hereof to the Trustee and the Holders if the Company has filed such reports with the SEC via the EDGAR filing system and such reports are publicly available.

SECTION 4.18. Limitations on Designation of Restricted and Unrestricted Subsidiaries.

The Board of Directors of the Company may designate any Subsidiary (other than Logistics Finance or any other Subsidiary that is at such time a co-issuer of the Notes) to be an Unrestricted Subsidiary if that designation would not cause a Default or cause a Default to be continuing after such designation. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary shall be deemed to be an Investment made as of the time of the designation and shall reduce the amount available for Restricted Payments under Section 4.11 or under one or more clauses of the definition of Permitted Investments, as determined by the Company. That designation shall only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Company may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default or cause a Default to be continuing after such redesignation.

SECTION 4.19. Additional Interest Notice.

In the event that the Co-Issuers are required to pay Additional Interest to Holders pursuant to the Registration Rights Agreement, the Co-Issuers shall provide written notice ("**Additional Interest Notice**") to the Trustee of their obligation to pay Additional Interest no later than ten days prior to the proposed payment date for the Additional Interest, and the Additional Interest Notice shall set forth the amount of Additional Interest to be paid by the Co-Issuers on such payment date. The Trustee shall not at any time be under any duty or responsibility to any Holder to determine the Additional Interest, or make any determination with respect to the nature, extent or calculation of the amount of Additional Interest owed or with respect to the method employed in such calculation of the Additional Interest.

SECTION 4.20. Payment of Additional Amounts .

(a) All payments made by the Co-Issuers under or with respect to the Notes or by a Guarantor under or with respect to its Note Guarantee shall be made free and clear of and without withholding or deduction for or on account of any present or future Taxes imposed or levied by or on behalf of any Taxing Authority in any jurisdiction in which a Co-Issuer or any Guarantor is organized or is otherwise resident for tax purposes or any jurisdiction from or through which payment is made (each a "**Relevant Taxing Jurisdiction**"), unless such Co-Issuer or Guarantor is required to withhold or deduct Taxes by law or by the official interpretation or administration thereof.

(b) If a Co-Issuer or any Guarantor is required to withhold or deduct any amount for or on account of Taxes imposed by a Relevant Taxing Jurisdiction from any payment made under or with respect to the Notes or the Note Guarantee of such Guarantor, the Co-Issuers or the relevant Guarantor, as applicable, shall pay such additional amounts ("**Additional Amounts**") as may be necessary so that the net amount received by each Holder (including Additional Amounts) after such withholding or deduction shall equal the amount the Holder would have received if such Taxes had not been withheld or deducted; *provided*, *however*, that no Additional Amounts shall payable with respect to any Tax:

(1) that would not have been imposed, payable or due but for the existence of any present or former connection between the Holder (or the beneficial owner of, or person ultimately entitled to obtain an interest in, such Notes) and the Relevant Taxing Jurisdiction (including being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) other than the mere holding of the Notes or enforcement of rights under such Note or under a Guarantee or the receipt of payments in respect of such Note or a Guarantee;

(2) that would not have been imposed, payable or due but for the failure to satisfy any certification, identification or other reporting requirements whether imposed by statute, treaty, regulation or administrative practice; *provided*, *however*, that the Co-Issuers have delivered a request to the Holder to comply with such requirements at least 30 days prior to the date by which such compliance is required;

(3) that would not have been imposed, payable or due if the presentation of Notes (where presentation is required) for payment had occurred within 30 days after the date such payment was due and payable or was duly provided for, whichever is later;

(4) subject to Section 4.20(e), that is an estate, inheritance, gift, sales, excise, transfer or personal property tax, assessment or charge; or

(5) as a result of a combination of the foregoing clauses (1) through (4).

In addition, Additional Amounts shall not be payable if, had the beneficial owner of, or Person ultimately entitled to obtain an interest in, such Notes been the Holder of the Notes, such beneficial owner would not have been entitled to the payment of Additional Amounts by reason of clause (1), (2), (3), (4) or (5) above. In addition, Additional Amounts shall not be

payable with respect to any Tax which is payable otherwise than by withholding from any payment under or in respect of principal of, or any interest or Additional Interest, if any, on, the Notes or any Guarantee.

(c) Whenever in this Indenture or the Notes there is mentioned, in any context, the payment of amounts based upon the principal amount of the Notes or of principal, premium, if any, interest or Additional Interest, if any, or of any other amount payable under or with respect to any Note, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

(d) The Co-Issuers shall provide the Trustee with documentation evidencing the payment of Additional Amounts and any other amounts payable pursuant to Section 4.20(e).

(e) The Co-Issuers and the Guarantors shall pay for any present or future stamp, court or documentary taxes, or any similar taxes, charges or levies which arise in any Relevant Taxing Jurisdiction from the execution, delivery or registration of the Notes, this Indenture or any other document or instrument referred to therein, or the receipt of any payments with respect to or enforcement of, the Notes or any Guarantee. The Co-Issuers and the Guarantors shall indemnify the Holders for any stamp taxes required to be paid in Argentina which arise from the execution, delivery or registration of this Indenture, the Notes or any other documents or instruments referred to herein or therein or the receipt of any payments with respect to or enforcement of, the Notes or any Guarantee.

(f) Notwithstanding anything to the contrary contained in this Indenture, the Co-Issuers and the Guarantors may, to the extent required to do so by law, deduct or withhold income or other similar taxes imposed by the United States of America from any payments under this Indenture; *provided* that the foregoing shall not limit the obligation of the Co-Issuers and the Guarantors to pay Additional Amounts as set forth in this Section 4.20.

ARTICLE FIVE

SUCCESSOR CORPORATION

SECTION 5.01. Mergers, Consolidations, Etc.

(a) The Company may not, directly or indirectly: (1) consolidate, amalgamate or merge with or into another Person (whether or not the Company is the surviving Person); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(1) either: (a) the Company is the surviving Person; or (b) the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition has been made (x) is a corporation, limited liability company, trust or limited partnership organized or existing under the laws an Eligible Jurisdiction and (y) assumes all the

obligations of the Company under the Notes, this Indenture and the Registration Rights Agreement;

(2) immediately after giving effect to such transaction, no Default or Event of Default exists; and

(3) either (a) the Company or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Company), or to which such sale, assignment, transfer, conveyance or other disposition has been made, shall, on the date of such transaction after giving pro forma effect thereto and to any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.10(a) or (b) the Fixed Charge Coverage Ratio for the Company or such surviving Person determined in accordance with Section 4.10(a) shall be greater than the Fixed Charge Coverage Ratio test for the Company and its Restricted Subsidiaries immediately prior to such transaction.

In addition, the Company may not, directly or indirectly, lease all or substantially all of its properties or assets, in one or more related transactions, to any other Person; *provided* that the foregoing shall not prohibit the chartering out of Vessels in the ordinary course of business.

For purposes of this Section 5.01, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Restricted Subsidiaries, the Equity Interests of which constitute all or substantially all of the properties and assets of the Company, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

(b) The Company shall not permit any Guarantor to, directly or indirectly, consolidate, amalgamate or merge with or into another Person (whether or not such Guarantor is the surviving Person) unless:

(1) subject to the Note Guarantee release provisions of Section 4.16, such Guarantor is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Company or a Guarantor) expressly assumes all the obligations of such Guarantor under the Note Guarantee of such Guarantor, this Indenture and the Registration Rights Agreement; and

(2) immediately after such transaction, no Default or Event of Default exists.

(c) This Section 5.01 shall not apply to a merger of the Company, a Guarantor or a Wholly Owned Restricted Subsidiary of such Person with an Affiliate solely for the purpose, and with the effect, of reorganizing the Company, a Guarantor or a Wholly Owned Restricted Subsidiary, as the case may be, in an Eligible Jurisdiction. In addition, nothing in this Section 5.01 shall prohibit any Restricted Subsidiary from consolidating or amalgamating with, merging with or into or conveying, transferring or leasing, in one transaction or a series of transactions, all or substantially all of its assets to the Company or another Restricted Subsidiary or reconstituting itself in another jurisdiction for the purpose of reflagging a Vessel.

ARTICLE SIX

DEFAULT AND REMEDIES

SECTION 6.01. Events of Default.

Each of the following is an "**Event of Default**":

(1) default by a Co-Issuer or any Guarantor for 30 consecutive days in the payment when due and payable of interest on, or Additional Interest, if any, with respect to, the Notes;

(2) default by a Co-Issuer or any Guarantor in the payment when due and payable of the principal of or premium, if any, on the Notes;

(3) failure by the Company or any of its Restricted Subsidiaries to comply with the provisions described under Section 5.01 hereof after receipt by the Company or such Subsidiary, as applicable, of a written notice specifying the default (and demanding that such default be remedied and stating that such notice is a "Notice of Default") from the Trustee or the Holders of at least 25% of the outstanding principal amount of the Notes;

(4) failure by the Company or any of its Restricted Subsidiaries to comply with any covenants in this Indenture (other than any Default pursuant to Section 6.01(3) hereof) for 60 consecutive days after notice has been given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the Notes then outstanding specifying the default and demanding compliance with any of the other covenants in this Indenture;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, whether such Indebtedness now exists or is created after the Issue Date, if that default:

(a) is caused by a failure to pay the principal amount of any such Indebtedness at its stated final maturity after giving effect to any applicable grace periods (a "**Payment Default**"); or

(b) results in the acceleration of such Indebtedness prior to its stated final maturity;

and, in each case of clauses (a) and (b) above, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates $20.0 million or more;

(6) failure by the Company or any Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary to pay final judgments aggregating in excess of $20.0 million in excess of amounts that are covered by insurance or which have been bonded, which judgments are not paid, discharged or stayed for a period of 60 days after such judgment or judgments become final and non-appealable;

(7) except as permitted by this Indenture including upon the permitted release of the Note Guarantee, any Guarantee of a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor or any Person acting on behalf of any Guarantor shall deny or disaffirm in writing its obligations under its Guarantee;

(8) either a Co-Issuer or any of the Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary as debtor in an involuntary case, pursuant to or within the meaning of any Bankruptcy Law:

(a) commences a voluntary case or proceeding;

(b) consents to the entry of an order for relief or decree against it in an involuntary case or proceeding;

(c) consents to the appointment of a Custodian of it or for all or substantially all of its assets;

(d) makes a general assignment for the benefit of its creditors;

(e) admits in writing its inability to pay its debts generally as they become due; or

(f) files a petition or answer or consent seeking reorganization or relief; and

(9) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(a) is for relief against a Co-Issuer or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary as debtor in an involuntary case or proceeding;

(b) appoints a Custodian of a Co-Issuer or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, or a Custodian for all or substantially all of the assets of a Co-Issuer or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted

Subsidiaries that, taken together, would constitute a Significant Subsidiary or adjudges any such entity or group a bankrupt or insolvent or approves as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of such entity or group; or

(c) orders the winding up or liquidation of a Co-Issuer or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary;

and the order or decree remains unstayed and in effect for 60 consecutive days.

SECTION 6.02. Acceleration.

In the case of an Event of Default specified in clause (8) or (9) of Section 6.01, with respect to a Co-Issuer, all outstanding Notes shall become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee, by written notice to the Co-Issuers, or the Holders of at least 25% in principal amount of the then outstanding Notes, by written notice to the Trustee and the Co-Issuers, may declare all the Notes to be due and payable. Any such notice from the Trustee or Holders shall specify the applicable Event(s) of Default and state that such notice is a " **Notice of Acceleration**." Upon such declaration of acceleration pursuant to a Notice of Acceleration, the aggregate principal of and accrued and unpaid interest and Additional Interest, if any, on the outstanding Notes shall become due and payable without further action or notice.

SECTION 6.03. Other Remedies.

If a Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the payment of principal of, or interest or Additional Interest, if any, on, the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative to the extent permitted by law.

SECTION 6.04. Waiver of Past Defaults.

Subject to Sections 2.09, 6.07 and 9.02, the Holders of a majority in principal amount of the outstanding Notes (which may include consents obtained in connection with a tender offer or exchange offer of Notes) by notice to the Trustee may waive an existing Default or Event of Default and its consequences, except a continuing Default or Event of Default in the payment of principal of, or interest or premium on, any Note as specified in Section 6.01(1) or (2). In case of any such waiver, the Co-Issuers, the Trustee and the Holders shall be restored to their former positions and rights hereunder and under the Notes, respectively. This Section 6.04 shall be in lieu of Section 316(a)(1)(B) of the Trust Indenture Act and such Section 316(a)(1)(B)

of the Trust Indenture Act is hereby expressly excluded from this Indenture and the Notes, as permitted by the Trust Indenture Act. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereto.

SECTION 6.05. Control by Majority.

The Holders of not less than a majority in principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. Subject to Section 7.01, however, the Trustee may refuse to follow any direction that conflicts with any law or this Indenture, that the Trustee determines in good faith may be unduly prejudicial to the rights of another Holder, or that may involve the Trustee in personal liability; *provided* that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

In the event the Trustee takes any action or follows any direction pursuant to this Indenture, the Trustee shall be entitled to indemnification against any loss or expense caused by taking such action or following such direction.

SECTION 6.06. Limitation on Suits.

No Holder shall have any right to institute any proceeding with respect to this Indenture or the Notes or for any remedy hereunder or thereunder, unless:

(1) an Event of Default has occurred and is continuing and such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(2) Holders of at least 25% in aggregate principal amount of the outstanding Notes have requested in writing the Trustee to pursue the remedy;

(3) such Holders have offered the Trustee security or indemnity satisfactory to it against any loss, liability or expense in complying with such request;

(4) the Trustee has not complied with such request within 60 days after the receipt thereof and the offer of security or indemnity; and

(5) Holders of a majority in aggregate principal amount of the outstanding Notes have not given the Trustee a written direction inconsistent with such request within such 60-day period.

However, such limitations shall not apply to a suit instituted by a Holder of any Note for enforcement of payment of the principal of or interest or premium on, or Additional Interest (if any) with respect to, such Note on or after the due date therefor.

A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over such other Holder (it being understood that the Trustee

does not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Holders).

SECTION 6.07. Rights of Holders To Receive Payment.

Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal of, and interest and Additional Interest, if any, on, a Note, on or after the respective due dates therefor, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of the Holder.

SECTION 6.08. Collection Suit by Trustee.

If an Event of Default in payment of principal, interest and premium specified in Section 6.01(1) or (2) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Co-Issuers or any other obligor on the Notes for the whole amount of principal, premium and accrued interest and Additional Interest (if any) and fees remaining unpaid, together with interest and Additional Interest, if any, on overdue principal and, to the extent that payment of such interest is lawful, interest on overdue installments of interest, in each case at the rate *per annum* borne by the Notes and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

SECTION 6.09. Trustee May File Proofs of Claim.

The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders allowed in any judicial proceedings relating to the Co-Issuers, their creditors or their property and shall be entitled and empowered to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same, and any Custodian in any such judicial proceedings is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agent and counsel, and any other amounts due the Trustee under Section 7.07. To the extent that payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due to the Trustee under Section 7.07 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceedings whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of

any Holder in any such proceeding. The Trustee shall be entitled to participate as a member of any official committee of creditors in the matters as it deems necessary or advisable.

SECTION 6.10. Priorities.

If the Trustee collects any money or property pursuant to this Article Six, it shall pay out the money or property in the following order:

First: to the Trustee for amounts due under Section 7.07;

Second: to Holders for interest accrued on the Notes, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for interest or Additional Interest;

Third: to Holders for principal amounts due and unpaid on the Notes and Additional Amounts, if any, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal and premium;

Fourth: without duplication, to the Holders, for any other obligations due to them hereunder or under the Notes, *pro rata* based on the amounts of such obligations; and

Fifth: to the Co-Issuers or, if applicable, the Guarantors, as their respective interests may appear.

The Trustee, upon prior written notice to the Co-Issuers, may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10.

SECTION 6.11. Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 shall not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07, or a suit by a Holder or Holders of more than 10% in principal amount of the outstanding Notes.

ARTICLE SEVEN

TRUSTEE

SECTION 7.01. Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) Except during the continuance of an Event of Default:

(1) the Trustee need perform only those duties as are specifically set forth herein or in the Trust Indenture Act and no duties, covenants, responsibilities or obligations shall be implied in this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates (including Officers' Certificates) or opinions (including Opinions of Counsel) furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) Notwithstanding anything to the contrary herein, the Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of Section 7.01(b);

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or to take or omit to take any action under this Indenture or take any action at the request or direction of Holders if it shall have reasonable grounds for believing that repayment of such funds is not assured to it.

(e) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to this Section 7.01.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Co-Issuers. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) In the absence of bad faith, negligence or willful misconduct on the part of the Trustee, the Trustee shall not be responsible for the application of any money by any Paying Agent other than the Trustee.

SECTION 7.02. Rights of Trustee.

Subject to Section 7.01:

(a) The Trustee may conclusively rely, and shall be protected in acting or refraining from acting, upon any Board Resolution, certificate (including any Officers' Certificate), statement, instrument, opinion (including any Opinion of Counsel), notice, request, direction, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate and/or an Opinion of Counsel, which shall conform to the provisions of Section 11.05 (*provided* that no Officers' Certificate or Opinion of Counsel shall be required in connection with the initial issuance of Notes on the Issue Date). The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent (other than an agent who is an employee of the Trustee) appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it reasonably believes to be authorized or within its rights or powers under this Indenture; *provided, however,* that the Trustee's conduct does not constitute willful misconduct, bad faith or negligence.

(e) The Trustee may consult with counsel of its selection and the advice or opinion of such counsel as to matters of law shall be full and complete authorization and protection from liability in respect of any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture whether on its own motion or at the request, order or direction of any of the Holders pursuant to the provisions of this Indenture, unless such Holders shall have offered to the Trustee security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby.

(g) The Trustee shall not be bound to make any investigation into the facts or matters stated in any Board Resolution, certificate (including any Officers' Certificate), statement, instrument, opinion (including any Opinion of Counsel), notice, request, direction, consent, order, bond, debenture, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled, upon reasonable notice to the Co-Issuers, to examine the books, records, and premises of the Co-Issuers, personally or by agent or attorney at the sole cost of the Co-Issuers.

(h) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(i) The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as duties.

(j) Except with respect to Sections 4.01 and 4.06 hereof, the Trustee shall have no duty to inquire as to the performance of the Co-Issuers with respect to the covenants contained in Article Four. In addition, the Trustee shall not be deemed to have knowledge of a Default or Event of Default except (i) any Default or Event of Default occurring pursuant to Section 4.01, 6.01(1) or 6.01(2) or (ii) any Default or Event of Default of which the Trustee shall have received written notification.

(k) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder.

(l) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(m) The Trustee may request that the Co-Issuers deliver a certificate in the form of Exhibit F setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture.

SECTION 7.03. Individual Rights of Trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Co-Issuers, their Subsidiaries or their respective Affiliates with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as Trustee (if this Indenture has been qualified under the Trust Indenture Act) or resign. Any Agent may do the same with like rights. However, the Trustee must comply with Sections 7.10 and 7.11.

SECTION 7.04. Trustee's Disclaimer.

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture, the Notes or the Guarantees, it shall not be accountable for the Co-Issuers' use of the proceeds from the Notes, and it shall not be responsible for any statement of the Co-Issuers in this Indenture, the Guarantees or any document issued in connection with the sale of Notes or any statement in the Notes other than the Trustee's certificate of authentication. The Trustee makes no representations with respect to the effectiveness or adequacy of this Indenture.

SECTION 7.05. Notice of Default.

If a Default or Event of Default occurs and is continuing and the Trustee receives actual notice of such Default or Event of Default, the Trustee shall mail to each Holder notice of the uncured Default or Event of Default within 90 days after such Default or Event of Default occurs. Except in the case of a Default in payment of principal of, or interest, Additional Interest or premium on, any Note, including an accelerated payment and the failure to make a payment on the Change of Control Payment Date pursuant to a Change of Control Offer or the Asset Sale Payment Date pursuant to a Asset Sale Offer, the Trustee may withhold the notice if and so long as it in good faith determines that withholding the notice is in the interest of the Holders.

SECTION 7.06. Reports by Trustee to Holders.

Within 60 days after each July 1, beginning with July 1, 2011, the Trustee shall, to the extent that any of the events described in Trust Indenture Act § 313(a) occurred within the previous twelve months, but not otherwise, mail to each Holder a brief report dated as of such date that complies with Trust Indenture Act § 313(a). The Trustee also shall comply with Trust Indenture Act §§ 313(b), 313(c) and 313(d).

A copy of each report at the time of its mailing to Holders shall be mailed by the Trustee to the Co-Issuers and filed by the Trustee with the SEC and each securities exchange, if any, on which the Notes are listed.

The Co-Issuers shall notify the Trustee if the Notes become listed on any securities exchange or of any delisting thereof and the Trustee shall comply with Trust Indenture Act § 313(d).

SECTION 7.07. Compensation and Indemnity.

The Co-Issuers shall pay to the Trustee from time to time such reasonable compensation as the Co-Issuers and the Trustee shall from time to time agree in writing for its services rendered by it hereunder. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Co-Issuers shall reimburse the Trustee promptly upon request for all reasonable disbursements, expenses and advances (including reasonable fees and expenses of counsel) incurred or made by it in addition to the compensation for its services, except any such disbursements, expenses and advances as may be attributable to the Trustee's negligence or willful misconduct. Such expenses shall include the reasonable fees and expenses of the Trustee's agents and counsel.

The Co-Issuers shall indemnify the Trustee or any predecessor Trustee and its officers, directors, employees and agents for, and hold them harmless against, any and all loss, damage, claims, liability or reasonable expenses, including taxes (other than taxes based upon, measured by or determined by the income of such Person), liability or expense incurred by them except for such actions to the extent caused by any negligence or willful misconduct on their part, arising out of or in connection with the acceptance or administration of this trust including the reasonable costs and expenses of defending themselves against or investigating any claim or liability in connection with the exercise or performance of any of the Trustee's rights, powers or duties hereunder. The Trustee shall notify the Co-Issuers promptly of any claim asserted against

the Trustee or any of its agents for which it may seek indemnity. The Co-Issuers shall defend the claim and the Trustee shall cooperate in the defense. The Trustee and its agents subject to the claim may have separate counsel and the Co-Issuers shall pay the reasonable fees and expenses of such counsel; *provided*, *however*, that the Co-Issuers shall not be required to pay such fees and expenses if there is no conflict of interest between the Co-Issuers and the Trustee and its agents subject to the claim in connection with such defense as reasonably determined by the Trustee. The Co-Issuers need not pay for any settlement made without its written consent, which consent shall not be unreasonably withheld. The Co-Issuers need not reimburse any expense or indemnify against any loss or liability to the extent incurred by the Trustee through the Trustee's negligence, willful misconduct or breach of its duties under this Indenture, which breach constitutes negligence.

To secure the Co-Issuers' payment obligations in this Section 7.07, the Trustee shall have a Lien prior to the Notes against all money or property held or collected by the Trustee, in its capacity as Trustee, except money or property held in trust to pay principal and interest (including Additional Interest, if any) on particular Notes.

When the Trustee incurs expenses or renders services after a Default specified in Section 6.01(8) or (9) occurs, such expenses and the compensation for such services shall be paid to the extent allowed under any Bankruptcy Law.

Notwithstanding any other provision in this Indenture, the foregoing provisions of this Section 7.07 shall survive the satisfaction and discharge of this Indenture or the appointment of a successor Trustee. The obligations of the Co-Issuers shall be joint and several obligations of each of Navios South American Logistics Inc. and Navios Logistics Finance (US) Inc.

SECTION 7.08. Replacement of Trustee.

The Trustee may resign at any time upon 30 days' written notice to the Co-Issuers in writing. The Holders of a majority in principal amount of the outstanding Notes may remove the Trustee upon 30 days written notice to the Co-Issuers and the Trustee and may appoint a successor Trustee (which Trustee shall be reasonably acceptable to the Co-Issuers). The Co-Issuers may remove the Trustee if:

(1) the Trustee fails to comply with Section 7.10;

(2) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(3) a receiver or other public officer takes charge of the Trustee or its property; or

(4) the Trustee becomes incapable of acting as Trustee hereunder.

If the Trustee resigns or is removed or if a vacancy exists in the office of the Trustee for any reason, the Co-Issuers shall notify each Holder of such event and shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the

Holders of a majority in principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Co-Issuers.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Co-Issuers. Immediately after that, the retiring Trustee shall transfer, after payment of all sums then owing to the Trustee pursuant to Section 7.07, all property held by it as Trustee hereunder to the successor Trustee, subject to the Lien provided in Section 7.07, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. A successor Trustee shall mail notice of its succession to each Holder.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Co-Issuers or the Holders of at least 10% in principal amount of the outstanding Notes may petition, at the expense of the Co-Issuers, any court of competent jurisdiction for the appointment of a successor Trustee at the expense of the Co-Issuers.

If the Trustee fails to comply with Section 7.10, any Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Co-Issuers' obligations under Section 7.07 shall continue for the benefit of the retiring Trustee. The current Trustee shall have no responsibility or liability for any action or inaction of a successor Trustee.

SECTION 7.09. Successor Trustee by Merger, Etc.

If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business to, another Person, the successor Person, without any further act, shall, if such resulting, surviving or transferee Person is otherwise eligible hereunder, be the successor Trustee; *provided* that such Person shall be otherwise qualified and eligible under this Article Seven.

SECTION 7.10. Eligibility; Disqualification.

This Indenture shall always have a Trustee who satisfies the requirements of Trust Indenture Act §§ 310(a)(1), 310(a)(2), 310(a)(3) and 310(a)(5). The Trustee shall have a combined capital and surplus of at least $50.0 million as set forth in its most recent published annual report of condition. The Trustee shall comply with Trust Indenture Act § 310(b); *provided*, *however*, that there shall be excluded from the operation of Trust Indenture Act § 310(b)(1) any indenture or indentures under which other securities, or certificates of interest or participation in other securities, of the Co-Issuers are outstanding, if the requirements for such exclusion set forth in Trust Indenture Act § 310(b)(1) are met. The provisions of Trust Indenture Act § 310 shall apply to the Co-Issuers and any other obligor of the Notes.

SECTION 7.11. Preferential Collection of Claims Against the Company .

The Trustee, in its capacity as Trustee hereunder, shall comply with Trust Indenture Act § 311(a), excluding any creditor relationship listed in Trust Indenture Act § 311(b). A Trustee who has resigned or been removed shall be subject to Trust Indenture Act § 311(a) to the extent indicated. The Trustee hereby waives any right to set-off any claim that it may have against the Co-Issuers in any capacity (other than as Trustee and Paying Agent) against any of the assets of the Co-Issuers held by the Trustee.

ARTICLE EIGHT

SATISFACTION OR DISCHARGE OF INDENTURE; DEFEASANCE

SECTION 8.01. Termination of the Co-Issuers' Obligations .

The Co-Issuers may terminate their Obligations under the Notes and this Indenture and the obligations of the Guarantors under the Note Guarantees and this Indenture and this Indenture shall be discharged and shall cease to be of further effect as to all Notes issued hereunder and then outstanding, except those Obligations referred to in the penultimate paragraph of this Section 8.01, when:

(1) either:

(a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust or segregated and held in trust by the Co-Issuers and thereafter repaid to the Co-Issuers or discharged from the trust, have been delivered to the Trustee for cancellation; or

(b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year or have been called for redemption pursuant to Section 5, Section 6 or Section 7 of the Notes and the Co-Issuers have irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash or Cash Equivalents in U.S. dollars, non-callable Government Securities, or a combination thereof, in amounts as shall be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium and Additional Interest, if any, and accrued interest to the date of maturity or redemption;

(2) no Event of Default has occurred and is continuing on the date of the deposit (other than an Event of Default resulting from the borrowing of funds to be applied to such deposit including the incurrence of liens in connection with such borrowing) and the deposit shall not result in a breach or violation of, or constitute a default under this Indenture;

(3) the Co-Issuers or any Guarantor has paid or caused to be paid all sums payable by them under this Indenture; and

(4) the Co-Issuers have delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or on the Redemption Date, as the case may be.

In addition, the Co-Issuers must deliver an Officers' Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

In the case of clause (1)(b) of this Section 8.01, and subject to the next sentence and notwithstanding the foregoing paragraph, the Co-Issuers' obligations in Sections 2.03, 2.05, 2.06, 2.07, 2.08, 2.12, 4.01, 4.02, 4.03 (as to legal existence of the Co-Issuers only), 7.07, 8.06 and 8.08 shall survive until the Notes are no longer outstanding pursuant to the last paragraph of Section 2.08. After the Notes are no longer outstanding, the Co-Issuers' obligations in Sections 7.07, 8.06 and 8.08 shall survive.

After such delivery or irrevocable deposit, the Trustee upon request shall acknowledge in writing the discharge of the Co-Issuers' obligations under the Notes and this Indenture except for those surviving obligations specified above.

SECTION 8.02. Option to Effect Legal Defeasance or Covenant Defeasance .

The Co-Issuers may, at the option of their Boards of Directors evidenced by a Board Resolution set forth in an Officers' Certificate, and at any time, elect to have either Section 8.03 or 8.04 applied to all outstanding Notes and all obligations of any Guarantor upon compliance with the conditions set forth in this Article Eight.

SECTION 8.03. Legal Defeasance.

Upon the Co-Issuers' exercise under Section 8.02 of the option applicable to this Section 8.03, the Co-Issuers and each of the Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.05, be deemed to have been discharged from their obligations with respect to all outstanding Notes (including the Note Guarantees) on the date the conditions set forth below are satisfied (hereinafter, " **Legal Defeasance**"). Such Legal Defeasance means that the Co-Issuers and the Guarantors shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes (including the Note Guarantees), which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.06 and the other Sections of this Indenture referred to in clauses (1) and (2) below, and to have satisfied all of their other obligations under such Notes, the Guarantees and this Indenture (and the Trustee, on demand of and at the expense of the Co-Issuers, shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder:

(1) the rights of Holders of outstanding Notes to receive payments in respect of the principal of or interest or premium and Additional Interest, if any, on such Notes when such payments are due from the trust referred to in Section 8.06;

(2) the Co-Issuers' obligations with respect to the Notes under Article Two and Section 4.02;

(3) the rights, powers, trusts, duties, exemptions from liability, immunities and indemnities of the Trustee hereunder, and the Co-Issuers' and the Guarantors' obligations in connection therewith; and

(4) this Article Eight.

Subject to compliance with this Article Eight, the Co-Issuers may exercise their option under this Section 8.03 notwithstanding the prior exercise of their option under Section 8.04.

SECTION 8.04. Covenant Defeasance.

Upon the Co-Issuers' exercise under Section 8.02 of the option applicable to this Section 8.04, (i) the Co-Issuers and each of the Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.05, be released from each of their obligations under the covenants contained in Sections 4.03 (other than with respect to the legal existence of the Co-Issuers), 4.04, 4.07, 4.09 through 4.18 (except for obligations under Section 4.17 mandated by the Trust Indenture Act), and Section 5.01 (except for the covenants contained in clauses (a)(1) and (a)(2) thereof) with respect to the outstanding Notes on and after the date the conditions set forth in Section 8.05 are satisfied (hereinafter, " **Covenant Defeasance**"), (ii) the Co-Issuers and the Guarantors may cause the release of the Note Guarantees and of any Liens securing the Notes or the Guarantees, and (iii) the Notes shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes and Guarantees, the Co-Issuers and the Guarantors may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply, and any release of the Note Guarantees or of Liens securing the Notes or the Note Guarantees, shall not constitute a Default or an Event of Default under Section 6.01, but, except as specified above, the remainder of this Indenture and such Notes and Guarantees shall be unaffected thereby. In addition, upon the Co-Issuers' exercise under Section 8.02 of the option applicable to this Section 8.04, subject to the satisfaction of the conditions set forth in this Section 8.04, Sections 6.01(3) through 6.01(7) shall not constitute Events of Default.

SECTION 8.05. Conditions to Legal or Covenant Defeasance.

In order to exercise either Legal Defeasance or Covenant Defeasance under either Sections 8.03 or 8.04:

(1) the Co-Issuers must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination thereof, in amounts as shall be sufficient, without consideration of any

reinvestment of interest, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of or interest and premium and Additional Interest, if any, on the outstanding Notes on the Stated Maturity or on the applicable Redemption Date, as the case may be, and the Co-Issuers must specify whether the Notes are being defeased to maturity or to a particular Redemption Date;

(2) in the case of an election under Section 8.03, the Co-Issuers must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that (a) the Co-Issuers have received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (b) since the Issue Date, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and shall be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of an election under Section 8.04, the Co-Issuers must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that the Holders of the outstanding Notes shall not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and shall be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from, or otherwise arising in connection with, the borrowing of funds to be applied to such deposit and the grant of any Lien securing such borrowing);

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture) to which either of the Co-Issuers or any of their Subsidiaries is a party or by which either Co-Issuer or any of their Subsidiaries are bound;

(6) the Co-Issuers must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Co-Issuers with the intent of preferring the Holders over the other creditors of the Co-Issuers or any of their Subsidiaries or with the intent of defeating, hindering, delaying or defrauding creditors of the Co-Issuers or any of their Subsidiaries or others; and

(7) the Co-Issuers must deliver to the Trustee an Officers' Certificate and an Opinion of Counsel, each to the effect that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Notwithstanding the foregoing, the Opinion of Counsel required by clause (2) above with respect to an election under Section 8.03 need not be delivered if all Notes not

theretofore delivered to the Trustee for cancellation shall become due and payable within one year under arrangements reasonably satisfactory to the Trustee for the giving of a notice of redemption by the Trustee in the name and at the expense of the Co-Issuers.

If the funds deposited with the Trustee to effect Covenant Defeasance are insufficient to pay the principal of and interest on the Notes when due, then the obligations of the Co-Issuers and the Guarantors under this Indenture will be revived and no such defeasance will be deemed to have occurred.

SECTION 8.06. Deposited Money and Government Securities To Be Held in Trust; Other Miscellaneous Provisions.

Subject to Section 8.07, all cash, Cash Equivalents and non-callable Government Securities (including the proceeds thereof) deposited with the Trustee (or other qualifying Trustee, collectively for purposes of this Section 8.06, the " **Trustee**") pursuant to this Article Eight in respect of the outstanding Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium and Additional Interest, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Co-Issuers shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable Government Securities deposited pursuant to Section 8.05 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Notwithstanding anything in this Article Eight to the contrary, the Trustee shall deliver or pay to the Co-Issuers from time to time upon the request of the Co-Issuers any money or non-callable Government Securities held by it as provided in Section 8.04 which, in the opinion of a firm of independent public accountants or any investment bank or appraisal firm, in each case nationally recognized in the United States expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.05(1)), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

SECTION 8.07. Repayment to the Co-Issuers.

Any money deposited with the Trustee or any Paying Agent, in trust for the payment of the principal of, premium or Additional Interest, if any, or interest on any Note and remaining unclaimed for two years after such principal, premium or Additional Interest, if any, or interest has become due and payable shall promptly be paid to the Co-Issuers on their written request or shall be discharged from such trust; and the Holder of such Note shall thereafter be permitted to look only to the Co-Issuers for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Co-Issuers as trustee thereof, shall thereupon cease.

SECTION 8.08. Reinstatement.

If the Trustee or Paying Agent is unable to apply any United States dollars or non-callable Government Securities in accordance with this Article Eight, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Co-Issuers' and the Guarantors' obligations under this Indenture and the Notes and the Guarantees shall be revived and reinstated as though no deposit had occurred pursuant to this Article Eight until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with this Article Eight, as the case may be; *provided*, *however*, that (a) if a Co-Issuer makes any payment of principal of, premium or Additional Interest, if any, or interest on any Note following the reinstatement of its obligations, the Co-Issuers shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent and (b) so long as no payment Default or Event of Default has occurred and is continuing, unless otherwise required by any legal proceeding or any other order or judgment of any court or governmental authority, the Trustee or Paying Agent shall return all such money and Government Securities (in each case to the extent remaining in their possession) to the Co-Issuers promptly after receiving a written request therefore at any time, if such reinstatement of the Co-Issuers' obligations has occurred and continues to be in effect other than such money as has been applied to payment on the Notes.

The Co-Issuers shall be entitled to cure any event resulting in the reinstatement of its obligations hereunder.

ARTICLE NINE

AMENDMENTS, SUPPLEMENTS AND WAIVERS

SECTION 9.01. Without Consent of Holders.

The Co-Issuers, the Guarantors and the Trustee may amend, waive, supplement or otherwise modify this Indenture, the Notes, the Note Guarantees or any other agreement or instrument entered into in connection with this Indenture without notice to or consent of any Holder:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of a Co-Issuer's or a Guarantor's obligations to Holders and Guarantees in the case of a merger, amalgamation or consolidation or sale of all or substantially all of such Co-Issuer's or such Guarantor's assets, as applicable;

(4) to make any change that would provide any additional rights or benefits to the Holders or that does not materially adversely affect the legal rights under this Indenture of any such Holder;

(5) to comply with requirements of the SEC in order to effect or maintain the qualification of this Indenture under the Trust Indenture Act;

(6) to allow any Guarantor to execute a supplemental indenture and a Guarantee with respect to the Notes or to release a Guarantee or a security interest under the Notes or a Guarantee in accordance with the terms of this Indenture;

(7) to provide for the issuance of Additional Notes in accordance with the terms of this Indenture;

(8) to evidence and provide for the acceptance of appointment under this Indenture by a successor Trustee;

(9) to comply with the rules of any applicable securities depository;

(10) to conform the text of this Indenture, the Note Guarantees or the Notes to any provision of the "Description of Notes" in the Offering Memorandum to the extent that such provision in the "Description of Notes" was intended by the Co-Issuers (as demonstrated by an Officers' Certificate) to be a substantially verbatim recitation of a provision of this Indenture, the Note Guarantees or the Notes;

(11) to add to the covenants of the Company or any Restricted Subsidiary for the benefit of the Holders or surrender any rights or powers conferred upon the Company or any Restricted Subsidiary; or

(12) to secure the Notes.

Upon the request of the Co-Issuers accompanied by a Board Resolution of each of their respective Boards of Directors authorizing the execution of any such amended or supplemental Indenture, and upon receipt by the Trustee of any documents requested under Section 7.02(b), the Trustee shall join with the Co-Issuers and any Guarantors in the execution of any amended or supplemental Indenture authorized or permitted by the terms of this Indenture and make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to enter into such amended or supplemental Indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

SECTION 9.02. With Consent of Holders.

(a) Subject to Sections 6.07 and 9.03, the Co-Issuers, the Guarantors and the Trustee, together, with the written consent of the Holder or Holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), may amend or supplement this Indenture, the Notes or the Note Guarantees, and any existing Default or Event of Default or compliance with any provision of this Indenture or the Notes or the Note Guarantees may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

(b) Notwithstanding Section 9.02(a), without the consent of the Co-Issuers and each Holder affected, an amendment, supplement or waiver may not (with respect to any Notes held by a non-consenting Holder):

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes (it being understood that this clause (2) does not apply to Sections 4.09 and 4.13);

(3) reduce the rate of or change the time for payment of interest or Additional Interest on any Note;

(4) waive a Default or Event of Default in the payment of principal of, or interest or premium, or Additional Interest, if any, on the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the then outstanding Notes in accordance with the provisions of this Indenture and a waiver of the payment default that resulted from such acceleration);

(5) make any Note payable in money other than that stated in the Notes;

(6) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders to receive payments of principal of, or interest or premium or Additional Interest, if any, on the Notes, or Additional Amounts, if any;

(7) waive a redemption payment with respect to any Note (it being understood that this clause (7) does not apply to a payment required by Section 4.09 or 4.13);

(8) release any Guarantor from any of its obligations under its Guarantee or this Indenture, except in accordance with the terms of this Indenture;

(9) in the event that the obligation to make a Change of Control Offer or an Asset Sale Offer has arisen, amend, change or modify in any material respect the obligation of the Company to make and consummate such Change of Control Offer or such Asset Sale Offer, as the case may be;

(10) expressly subordinate in right of payment the Notes or the Note Guarantees to any other Indebtedness of a Co-Issuer or any Guarantor; or

(11) make any change to this Section 9.02.

(c) It shall not be necessary for the consent of the Holders under this Section to approve the particular form of any proposed amendment, supplement or waiver but it shall be sufficient if such consent approves the substance thereof.

(d) A consent to any amendment, supplement or waiver under this Indenture by any Holder given in connection with an exchange (in the case of an exchange offer) or a

tender (in the case of a tender offer) of such Holder's Notes shall not be rendered invalid by such tender or exchange.

(e) After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Co-Issuers shall mail to the Holders affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Co-Issuers to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amendment, supplement or waiver.

SECTION 9.03. Compliance with the Trust Indenture Act.

From the date on which this Indenture is qualified under the Trust Indenture Act, every amendment, waiver or supplement of this Indenture, the Notes or the Note Guarantees shall be set forth in a document that complies with the Trust Indenture Act as then in effect.

SECTION 9.04. Revocation and Effect of Consents.

Until an amendment, waiver or supplement becomes effective, a consent to it by a Holder is a continuing consent by the Holder and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder or subsequent Holder may revoke the consent as to his Note or portion of his Note by notice to the Trustee or the Co-Issuers received before the date on which the Trustee receives an Officers' Certificate certifying that the Holders of the requisite principal amount of Notes have consented (and not theretofore revoked such consent) to the amendment, supplement or waiver.

The Co-Issuers may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to consent to any amendment, supplement or waiver, which record date shall be prior to the first solicitation of such consent. If a record date is fixed, then notwithstanding the last sentence of the immediately preceding paragraph, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to revoke any consent previously given, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 90 days after such record date. The Co-Issuers shall inform the Trustee in writing of the fixed record date if applicable.

After an amendment, supplement or waiver becomes effective, it shall bind every Holder, unless it makes a change described in any of clauses (1) through (11) of Section 9.02(b), in which case, the amendment, supplement or waiver shall bind only each Holder who has consented to it and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note; *provided* that the Co-Issuers and the Trustee are able to identify the particular Note which has so consented; *provided*, *further*, that any such waiver shall not impair or affect the right of any Holder to receive payment of principal of, and interest, Additional Interest (if any) and premium on, a Note, on or after the respective due dates therefor, or to bring suit for the enforcement of any such payment on or after such respective dates without the consent of such Holder.

SECTION 9.05. Notation on or Exchange of Notes.

If an amendment, supplement or waiver changes the terms of a Note, the Co-Issuers may require the Holder to deliver it to the Trustee. The Co-Issuers shall provide the Trustee with an appropriate notation on the Note about the changed terms and cause the Trustee to return it to the Holder at the Co-Issuers' expense. Alternatively, if the Co-Issuers or the Trustee so determine, the Co-Issuers in exchange for the Note shall issue, and the Trustee shall authenticate, a new Note that reflects the changed terms. Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

SECTION 9.06. Trustee To Sign Amendments, Etc.

The Trustee shall execute any amendment, supplement or waiver authorized pursuant to this Article Nine; *provided* that the Trustee may, but shall not be obligated to, execute any such amendment, supplement or waiver which affects the Trustee's own rights, duties or immunities under this Indenture. The Trustee shall be entitled to receive, and, subject to Section 7.01, shall be fully protected in conclusively relying upon, an Opinion of Counsel and an Officers' Certificate, each stating that the execution of any amendment, supplement or waiver authorized pursuant to this Article Nine is authorized or permitted by this Indenture. Such Opinion of Counsel shall be at the expense of the Co-Issuers.

Upon the execution of any amended or supplemental indenture pursuant to and in accordance with this Article Nine, this Indenture shall be modified in accordance therewith, and such amended or supplemental Indenture shall form a part of this Indenture for all purposes; and every Holder of Notes theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

ARTICLE TEN

NOTE GUARANTEE

SECTION 10.01. Unconditional Guarantee.

Subject to the provisions of this Article Ten, each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes or the obligations of the Co-Issuers to the Holders or the Trustee hereunder or thereunder: (a) (x) the due and punctual payment of the principal of, premium, if any, and interest and Additional Interest, if any, on the Notes when and as the same shall become due and payable, whether at maturity, upon redemption or repurchase, by acceleration or otherwise, (y) the due and punctual payment of interest on the overdue principal and (to the extent permitted by law) interest and Additional Interest, if any, on the Notes and (z) the due and punctual payment and performance of all other obligations of the Co-Issuers, in each case, to the Holders or the Trustee hereunder or thereunder (including amounts due the Trustee under Section 7.07), all in accordance with the terms hereof and thereof (collectively, the "**Guarantee Obligations**"); and (b) in case of any extension of

time of payment or renewal of any Notes or any of such other obligations, the due and punctual payment and performance of the Guarantee Obligations in accordance with the terms of the extension or renewal, whether at maturity, upon redemption or repurchase, by acceleration or otherwise. Failing payment when due of any amount so guaranteed, or failing performance of any other obligation of the Co-Issuers to the Holders under this Indenture or under the Notes, for whatever reason, each Guarantor shall be obligated to pay, or to perform or cause the performance of, the same immediately. An Event of Default under this Indenture or the Notes shall constitute an Event of Default under the Note Guarantees, and shall entitle the Holders to accelerate the obligations of the Guarantors thereunder in the same manner and to the same extent as the obligations of the Co-Issuers.

Each of the Guarantors hereby agrees that (to the extent permitted by law) its obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder with respect to any provisions hereof or thereof, any release of any other Guarantor, the recovery of any judgment against the Co-Issuers, any action to enforce the same, whether or not a Note Guarantee is affixed to any particular Note, or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor (other than payment). To the fullest extent permitted by law and subject to Section 6.06, each of the Guarantors hereby waives the benefit of diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Co-Issuers, any right to require a proceeding first against the Co-Issuers, protest, notice and all demands whatsoever and covenants that its Note Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes, this Indenture and this Note Guarantee. This Note Guarantee is a guarantee of payment and not of collection. If any Holder or the Trustee is required by any court or otherwise to return to any Co-Issuer or to any Guarantor, or any custodian, trustee, liquidator or other similar official acting in relation to such Co-Issuer or such Guarantor, any amount paid by such Co-Issuer or such Guarantor to the Trustee or such Holder, this Note Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect. Each Guarantor further agrees that, as between it, on the one hand, and the Holders and the Trustee, on the other hand, (a) subject to this Article Ten, the maturity of the obligations guaranteed hereby may be accelerated as provided in Article Six for the purposes of this Note Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (b) in the event of any acceleration of such obligations as provided in Article Six, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of this Note Guarantee.

SECTION 10.02. Limitation on Guarantor Liability.

Each Guarantor, and by its acceptance of Notes, each Holder, hereby confirms that it is the intention of all such parties that the Note Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal, foreign, provincial or state law to the extent applicable to any Note Guarantee. To effectuate the foregoing intention, the Trustee, the Holders and the Guarantors hereby irrevocably agree (to the extent required by such laws) that the obligations of such Guarantor under its Note Guarantee and this Article Ten shall be limited to the maximum amount as will, after giving effect to all other

contingent and fixed liabilities of such Guarantor (including any guarantee under the Credit Agreement) that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article Ten, result in the obligations of such Guarantor under its Note Guarantee not constituting a fraudulent transfer or conveyance. Each Guarantor that makes a payment for distribution under its Note Guarantee is entitled to a contribution from each other Guarantor in a *pro rata* amount based on the adjusted net assets of each Guarantor.

SECTION 10.03. Execution and Delivery of Guarantee.

To further evidence its Guarantee set forth in Section 10.01, each Guarantor hereby agrees that a notation of such Guarantee, substantially in the form of Exhibit E hereto (each, a "**Notation of Guarantee**"), shall be endorsed on each Note authenticated and delivered by the Trustee. Such Notation of Guarantee shall be executed on behalf of each Guarantor by either manual or facsimile signature of one Officer or other person duly authorized by all necessary corporate action of such Guarantor who shall have been duly authorized to so execute by all requisite corporate action. The validity and enforceability of any Notation of Guarantee shall not be affected by the fact that it is not affixed to any particular Note.

Each of the Guarantors hereby agrees that its Note Guarantee set forth in Section 10.01 shall remain in full force and effect notwithstanding any failure to endorse on each Note a Notation of Guarantee.

If an Officer of a Guarantor whose signature is on this Indenture or a Notation of Guarantee no longer holds that office at the time the Trustee authenticates the Note on which such Notation of Guarantee is endorsed or at any time thereafter, such Guarantor's Notation of Guarantee of such Note shall nevertheless be valid.

The delivery of any Note by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of any Note Guarantee set forth in this Indenture on behalf of each Guarantor.

SECTION 10.04. Release of a Guarantor.

Notwithstanding Section 4.16(a), a Guarantor shall be automatically and unconditionally released from its obligations under its Note Guarantee and its obligations under this Indenture and the Registration Rights Agreement in accordance with Section 4.16(b) or as otherwise expressly permitted by this Indenture.

The Trustee shall execute an appropriate instrument prepared by the Co-Issuers evidencing the release of a Guarantor from its obligations under its Note Guarantee upon receipt of a request by the Co-Issuers or such Guarantor accompanied by an Officers' Certificate and, if requested by the Trustee, an Opinion of Counsel certifying as to the compliance with this Section 10.04; *provided*, *however*, that the legal counsel delivering such Opinion of Counsel may rely as to matters of fact on one or more Officers' Certificates of the Co-Issuers.

Except as set forth in Articles Four and Five and this Section 10.04, nothing contained in this Indenture or in any of the Notes shall prevent any consolidation or merger of a Guarantor with or into a Co-Issuer or another Guarantor or shall prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to a Co-Issuer or another Guarantor.

SECTION 10.05. Waiver of Subrogation.

Until this Indenture is discharged and all of the Notes are discharged and paid in full, each Guarantor hereby irrevocably waives and agrees not to exercise any claim or other rights which it may now or hereafter acquire against the Co-Issuers that arise from the existence, payment, performance or enforcement of the Co-Issuers' obligations under the Notes or this Indenture and such Guarantor's obligations under this Note Guarantee and this Indenture, in any such instance, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution, indemnification, and any right to participate in any claim or remedy of the Holders against the Co-Issuers, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law, including, without limitation, the right to take or receive from the Co-Issuers, directly or indirectly, in cash or other assets or by set-off or in any other manner, payment or security on account of such claim or other rights. If any amount shall be paid to any Guarantor in violation of the preceding sentence and any amounts owing to the Trustee or the Holders under the Notes, this Indenture, or any other document or instrument delivered under or in connection with such agreements or instruments, shall not have been paid in full, such amount shall have been deemed to have been paid to such Guarantor for the benefit of, and held in trust for the benefit of, the Trustee or the Holders and shall forthwith be paid to the Trustee for the benefit of itself or such Holders to be credited and applied to the obligations in favor of the Trustee or the Holders, as the case may be, whether matured or unmatured, in accordance with the terms of this Indenture. Each Guarantor acknowledges that it shall receive direct and indirect benefits from the financing arrangements contemplated by this Indenture and that the waiver set forth in this Section 10.05 is knowingly made in contemplation of such benefits.

SECTION 10.06. Immediate Payment.

Each Guarantor agrees to make immediate payment to the Trustee on behalf of the Holders of all Guarantee Obligations owing or payable to the respective Holders upon receipt of a demand for payment therefor by the Trustee to such Guarantor in writing.

SECTION 10.07. No Set-Off.

Each payment to be made by a Guarantor hereunder in respect of the Guarantee Obligations shall be payable in the currency or currencies in which such Guarantee Obligations are denominated, and, to the fullest extent permitted by law, shall be made without set-off, counterclaim, reduction or diminution of any kind or nature.

SECTION 10.08. Guarantee Obligations Absolute .

The obligations of each Guarantor hereunder are and shall be absolute and unconditional and any monies or amounts expressed to be owing or payable by each Guarantor

hereunder which may not be recoverable from such Guarantor on the basis of a Note Guarantee shall be recoverable from such Guarantor as a primary obligor and principal debtor in respect thereof.

SECTION 10.09. Note Guarantee Obligations Continuing.

The obligations of each Guarantor hereunder shall be continuing and shall remain in full force and effect until all such obligations have been paid and satisfied in full. Each Guarantor agrees with the Trustee that it shall, upon request by the Trustee, deliver to the Trustee suitable acknowledgments of this continued liability hereunder and under any other instrument or instruments relating to this Indenture in such form as counsel to the Trustee may reasonably advise.

SECTION 10.10. Note Guarantee Obligations Not Reduced.

The obligations of each Guarantor hereunder shall not be satisfied, reduced or discharged solely by the payment of such principal, premium, if any, interest, fees and other monies or amounts as may at any time prior to discharge of this Indenture pursuant to Article Eight be or become owing or payable under or by virtue of or otherwise in connection with the Notes or this Indenture.

SECTION 10.11. Note Guarantee Obligations Reinstated.

The obligations of each Guarantor hereunder shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment which would otherwise have reduced the obligations of any Guarantor hereunder (whether such payment shall have been made by or on behalf of the Co-Issuers or by or on behalf of a Guarantor) is rescinded or reclaimed from any of the Holders upon the insolvency, bankruptcy, liquidation or reorganization of the Co-Issuers or any Guarantor or otherwise, all as though such payment had not been made. If demand for, or acceleration of the time for, payment by the Co-Issuers or any other Guarantor is stayed upon the insolvency, bankruptcy, liquidation or reorganization of the Co-Issuers or such Guarantor, all such Indebtedness otherwise subject to demand for payment or acceleration shall nonetheless be payable by each Guarantor as provided herein.

SECTION 10.12. Note Guarantee Obligations Not Affected.

To the fullest extent permitted by law, the obligations of each Guarantor hereunder shall, subject to Section 10.04, not be affected, impaired or diminished in any way by any act, omission, matter or thing whatsoever, occurring before, upon or after any demand for payment hereunder (and whether or not known or consented to by any Guarantor or any of the Holders) which, but for this provision, might constitute a whole or partial defense to a claim against any Guarantor hereunder or might operate to release or otherwise exonerate any Guarantor from any of its obligations hereunder or otherwise affect such obligations, whether occasioned by default of any of the Holders or otherwise, including, without limitation:

(a) any limitation of status or power, disability, incapacity or other circumstance relating to the Co-Issuers or any other Person, including any insolvency,

bankruptcy, liquidation, reorganization, readjustment, composition, dissolution, winding-up or other proceeding involving or affecting the Co-Issuers or any other Person;

(b) any irregularity, defect, unenforceability or invalidity in respect of any indebtedness or other obligation of the Co-Issuers or any other Person under this Indenture, the Notes or any other document or instrument;

(c) any failure of the Co-Issuers or any other Guarantor, whether or not without fault on its part, to perform or comply with any of the provisions of this Indenture, the Notes or any Note Guarantee, or to give notice thereof to a Guarantor;

(d) the taking or enforcing or exercising or the refusal or neglect to take or enforce or exercise any right or remedy from or against the Co-Issuers or any other Person or their respective assets or the release or discharge of any such right or remedy;

(e) the granting of time, renewals, extensions, compromises, concessions, waivers, releases, discharges and other indulgences to the Co-Issuers or any other Person;

(f) any change in the time, manner or place of payment of, or in any other term of, any of the Notes, or any other amendment, variation, supplement, replacement or waiver of, or any consent to departure from, any of the Notes or this Indenture, including, without limitation, any increase or decrease in the principal amount of or premium, if any, or interest or Additional Interest on any of the Notes;

(g) any change in the ownership, control, name, objects, businesses, assets, capital structure or constitution of the Co-Issuers or a Guarantor;

(h) any merger or amalgamation of the Co-Issuers or a Guarantor with any Person or Persons;

(i) the occurrence of any change in the laws, rules, regulations or ordinances of any jurisdiction by any present or future action of any governmental authority or court amending, varying, reducing or otherwise affecting, or purporting to amend, vary, reduce or otherwise affect, any of the Guarantee Obligations or the obligations of a Guarantor under its Note Guarantee; and

(j) any other circumstance, including release of a Guarantor pursuant to Section 10.04 (other than by complete, irrevocable payment) that might otherwise constitute a legal or equitable discharge or defense of the Co-Issuers under this Indenture or the Notes or of a Guarantor in respect of its Note Guarantee hereunder.

SECTION 10.13. Waiver.

Without in any way limiting the provisions of Section 10.01, each Guarantor hereby waives notice of acceptance hereof, notice of any liability of any Guarantor hereunder, notice or proof of reliance by the Holders upon the obligations of any Guarantor hereunder, and diligence, presentment, demand for payment on the Co-Issuers, protest, notice of dishonor or

non-payment of any of the Guarantee Obligations, or other notice or formalities to the Co-Issuers or any Guarantor of any kind whatsoever.

SECTION 10.14. No Obligation To Take Action Against the Co-Issuers.

Neither the Trustee nor any other Person shall have any obligation to enforce or exhaust any rights or remedies against the Co-Issuers or any other Person or any property of the Co-Issuers or any other Person before the Trustee is entitled to demand payment and performance by any or all Guarantors of their liabilities and obligations under their Note Guarantees or under this Indenture.

SECTION 10.15. Dealing with the Co-Issuers and Others.

The Holders, without releasing, discharging, limiting or otherwise affecting in whole or in part the obligations and liabilities of any Guarantor hereunder and without the consent of or notice to any Guarantor, may

(a) grant time, renewals, extensions, compromises, concessions, waivers, releases, discharges and other indulgences to the Co-Issuers or any other Person;

(b) take or abstain from taking security or collateral from the Co-Issuers or from perfecting security or collateral of the Co-Issuers;

(c) release, discharge, compromise, realize, enforce or otherwise deal with or do any act or thing in respect of (with or without consideration) any and all collateral, mortgages or other security given by the Co-Issuers or any third party with respect to the obligations or matters contemplated by this Indenture or the Notes;

(d) accept compromises or arrangements from the Co-Issuers;

(e) apply all monies at any time received from the Co-Issuers or from any security upon such part of the Guarantee Obligations as the Holders may see fit or change any such application in whole or in part from time to time as the Holders may see fit; and

(f) otherwise deal with, or waive or modify their right to deal with, the Co-Issuers and all other Persons and any security as the Holders or the Trustee may see fit.

SECTION 10.16. Default and Enforcement.

If any Guarantor fails to pay in accordance with Section 10.06 hereof, the Trustee may proceed in its name as trustee hereunder in the enforcement of the Note Guarantee of any such Guarantor and such Guarantor's obligations thereunder and hereunder by any remedy provided by law, whether by legal proceedings or otherwise, and to recover from such Guarantor the obligations.

SECTION 10.17. Acknowledgment.

Each Guarantor hereby acknowledges communication of the terms of this Indenture, the Notes and the Note Guarantees consents to and approves of the same.

SECTION 10.18. Costs and Expenses.

Each Guarantor shall pay on demand by the Trustee any and all reasonable costs, fees and expenses (including, without limitation, reasonable legal fees on a solicitor and client basis) incurred by the Trustee, its agents, advisors and counsel or any of the Holders in enforcing any of their rights under any Note Guarantee.

SECTION 10.19. No Merger or Waiver; Cumulative Remedies.

No failure to exercise and no delay in exercising, on the part of the Trustee or the Holders, any right, remedy, power or privilege hereunder or under this Indenture or the Notes, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under this Indenture or the Notes preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges in the Note Guarantee and under this Indenture, the Notes and any other document or instrument between a Guarantor and/or the Co-Issuers and the Trustee are cumulative and not exclusive of any rights, remedies, powers and privilege provided by law.

SECTION 10.20. Survival of Note Guarantee Obligations.

Without prejudice to the survival of any of the other obligations of each Guarantor hereunder, the obligations of each Guarantor under Section 10.01 shall survive the payment in full of the Guarantee Obligations and shall be enforceable against such Guarantor, to the fullest extent permitted by law, without regard to and without giving effect to any defense, right of offset or counterclaim available to or which may be asserted by any Co-Issuer or any Guarantor.

SECTION 10.21. Note Guarantee in Addition to Other Guarantee Obligations.

The obligations of each Guarantor under its Note Guarantee and this Indenture are in addition to and not in substitution for any other obligations to the Trustee or to any of the Holders in relation to this Indenture or the Notes and any guarantees or security at any time held by or for the benefit of any of them.

SECTION 10.22. Severability.

Any provision of this Article Ten which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction unless its removal would substantially defeat the basic intent, spirit and purpose of this Indenture and this Article Ten.

SECTION 10.23. Successors and Assigns.

Subject to the provisions herein relating to the release of Note Guarantees, each Note Guarantee shall be binding upon and inure to the benefit of each Guarantor and the Trustee and the other Holders and their respective successors and permitted assigns, except that no Guarantor may assign any of its obligations hereunder or thereunder.

ARTICLE ELEVEN

MISCELLANEOUS

SECTION 11.01. Trust Indenture Act Controls.

If any provision of this Indenture limits, qualifies or conflicts with another provision which is required or deemed to be included in this Indenture by the Trust Indenture Act, such required or deemed provision of the Trust Indenture Act shall control.

SECTION 11.02. Notices.

Any notices or other communications required or permitted hereunder shall be in writing, and shall be sufficiently given if made by hand delivery, by nationally recognized overnight courier service, by telecopier or registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

if to a Co-Issuer or a Guarantor:

c/o Navios South American Logistics Inc.
Luis A. de Herrera
1248, World Trade Center, Torre 13
Montevido
Uruguay
Attention: Executive Vice President — Legal

with a copy to:

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004
Attn: Stuart Gelfond
Telephone: (212) 859-8000
Facsimile: (212) 859-4000

if to the Trustee:

Wells Fargo Bank, National Association
45 Broadway, 14th floor
New York, New York 10006
Attn. Corporate Trust Services -
Administrator for Navios South American Logistics Inc.
Telephone: (212) 515-5244
Facsimile: (212) 515-1589

Each of the Co-Issuers, each Guarantor and the Trustee by written notice to each other such Person may designate additional or different addresses for notices to such Person. Any notice or communication to the Co-Issuers and the Trustee, shall be deemed to have been given or made as of the date so delivered if personally delivered; when replied to; when receipt is acknowledged, if telecopied; five (5) calendar days after mailing if sent by registered or certified mail, postage prepaid (except that a notice of change of address shall not be deemed to have been given until actually received by the addressee); and next Business Day if by nationally recognized overnight courier service.

Any notice or communication mailed to a Holder shall be mailed to him by first class mail or other equivalent means at his address as it appears on the registration books of the Registrar and shall be sufficiently given to him if so mailed within the time prescribed.

Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance on such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

SECTION 11.03. Communications by Holders with Other Holders.

Holders may communicate pursuant to Trust Indenture Act § 312(b) with other Holders with respect to their rights under this Indenture, the Notes or the Note Guarantees. The Co-Issuers, the Trustee, the Registrar and any other Person shall have the protection of Trust Indenture Act § 312(c).

SECTION 11.04. Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Co-Issuers to the Trustee to take any action under this Indenture, the Co-Issuers shall furnish to the Trustee (unless otherwise agreed by the Trustee):

(1) an Officers' Certificate, in form and substance reasonably satisfactory to the Trustee, stating that, in the opinion of the signers, all conditions precedent to be performed or effected by the Co-Issuers, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(2) an Opinion of Counsel stating that, in the opinion of such counsel (who may rely upon Officers' Certificates as to matters of fact), all such conditions precedent have been satisfied; *provided*, *however*, that such opinion shall not be required in connection with the initial issuance of the Notes hereunder.

SECTION 11.05. Statements Required in Certificate or Opinion.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture, other than the Officers' Certificate required by Section 4.06, shall include, to the extent required by the Trust Indenture Act or requested by the Trustee:

(1) a statement that the Person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such Person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with or satisfied; and

(4) a statement as to whether or not, in the opinion of each such Person, such condition or covenant has been satisfied or complied with; *provided*, *however*, that with respect to matters of fact, an Opinion of Counsel may rely on an Officers' Certificate or certificates of public officials.

SECTION 11.06. Rules by Paying Agent or Registrar.

The Paying Agent or Registrar may make reasonable rules and set reasonable requirements for their functions.

SECTION 11.07. Legal Holidays.

If a payment date is not a Business Day, payment may be made on the next succeeding day that is a Business Day without the accrual of additional interest in the intervening period.

SECTION 11.08. GOVERNING LAW; WAIVER OF JURY TRIAL; SUBMISSION TO JURISDICTION.

THIS INDENTURE, THE NOTES AND THE NOTE GUARANTEES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO CONFLICTS OF LAW PRINCIPLES TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY. EACH OF THE CO-ISSUERS AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Any legal suit, action or proceeding arising out of or based upon this Indenture, the Notes, the Note Guarantees or the transactions contemplated hereby may be instituted in the federal courts of the United States of America located in the City of New York or the courts of the State of New York in each case located in the City of New York (collectively, the "**Specified Courts**"), and each party irrevocably submits to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of any process, summons, notice or document by mail (to the extent allowed under any applicable statute or rule of court) to such party's address set forth in Section 11.02 shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or other proceeding in the Specified Courts and irrevocably and unconditionally waive and agree not to plead or claim in any such court that any suit, action or other proceeding has been brought in an inconvenient forum.

SECTION 11.09. No Adverse Interpretation of Other Agreements .

This Indenture may not be used to interpret another indenture, loan or debt agreement of any of the Co-Issuers or any of their Subsidiaries. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 11.10. No Personal Liability of Directors, Officers, Employees and Stockholders.

No past, future or present director, Officer, employee, incorporator, member, manager, agent or shareholder of a Co-Issuer or any Guarantor, as such, shall have any liability for any obligations of the Co-Issuers or any Guarantors under the Notes, this Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability to the fullest

extent permitted by law. Such waiver and release are part of the consideration for issuance of the Notes and the Note Guarantees.

SECTION 11.11. Successors.

All agreements of the Co-Issuers and the Guarantors in this Indenture, the Notes and the Note Guarantees shall bind their respective successors. All agreements of the Trustee in this Indenture shall bind its successor.

SECTION 11.12. Duplicate Originals.

All parties may sign any number of copies of this Indenture. Each signed copy or counterpart shall be an original, but all of them together shall represent the same agreement.

SECTION 11.13. Severability.

To the extent permitted by applicable law, in case any one or more of the provisions in this Indenture, in the Notes or in the Note Guarantees shall be held invalid, illegal or unenforceable, in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions shall not in any way be affected or impaired thereby, it being intended that all of the provisions hereof shall be enforceable to the full extent permitted by law.

SECTION 11.14. Force Majeure.

In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services, it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

SECTION 11.15. Agent for Service; Submission to Jurisdiction; Waiver of Immunities.

(a) The Co-Issuers and each Guarantor hereby irrevocably consent and agree to the service of any and all legal process, summons, notices and documents in any such action, suit or proceeding brought against them with respect to their obligations, liabilities or any other matter arising out of or in connection with this Indenture, by serving a copy thereof upon any employee of any of the Co-Issuers or any Guarantor (in such capacity, the " **Company Process Agent**") at any business location that the Co-Issuers or any Guarantor may maintain from time to time in the United States including, without limitation, at the offices of Navios Corporation located at 825 Third Avenue, 34th Floor, New York, NY 10022 and each Co-Issuer and Guarantor hereby irrevocably designates, appoints and empowers the Company Process Agent as their designee, appointee and agent to receive, accept and acknowledge for and on their behalf service of any and all legal process, summons, notices and documents that may be served in any

action, suit or proceeding brought against them in any United States or state court located in the County of New York with respect to their obligations, liabilities or any other matter arising out of or in connection with this Indenture and that may be made on such designee, appointee and agent in accordance with legal procedures prescribed for such courts.

(b) If at any time neither the Co-Issuers nor any Guarantor maintains a *bona fide* business location in the State of New York, then the Co-Issuers and the Guarantors shall promptly (and in any event within 10 days) irrevocably designate, appoint and empower CT Corporation System, with offices currently at 111 Eighth Avenue, New York, New York 10011 (or such other third party corporate service provider of national standing as may be reasonably acceptable to the Representatives), as their designee, appointee and agent to receive, accept and acknowledge for and on their behalf service of any and all legal process, summons, notices and documents that may be served in any action, suit or proceeding brought against them in any such United States or state court located in the County of New York with respect to their obligations, liabilities or any other matter arising out of or in connection with this Indenture and that may be made on such designee, appointee and agent in accordance with legal procedures prescribed for such courts (the " **Third Party Process Agent**"; each of the Company Process Agent or the Third Party Process Agent, a "**Process Agent**") and pay all fees and expenses required by the Third Party Process Agent in connection therewith. If for any reason such Third Party Process Agent hereunder shall cease to be available to act as such, each of the Co-Issuers and the Guarantors agrees to designate a new Third Party Process Agent in the County of New York on the terms and for the purposes of this Section 11.15 satisfactory to the Initial Purchasers.

(c) Each of the Co-Issuers and the Guarantors further hereby irrevocably consents and agrees to the service of any and all legal process, summons, notices and documents in any such action, suit or proceeding against them by (i) serving a copy thereof upon any of the relevant Process Agents specified in clauses (a) or (b) above, or (ii) or by mailing copies thereof by registered or certified air mail, postage prepaid, to the Co-Issuers, at their address specified in or designated pursuant to this Indenture. Each of the Co-Issuers and the Guarantors agrees that the failure of any Process Agent, to give any notice of such service to it shall not impair or affect in any way the validity of such service or any judgment rendered in any action or proceeding based thereon.

(d) Each of the Co-Issuers and each Guarantor agree that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing herein shall in any way be deemed to limit the ability of the Trustee or any Holder to serve any such legal process, summons, notices and documents in any other manner permitted by applicable law or to obtain jurisdiction over the Co-Issuers or the Guarantors or bring actions, suits or proceedings against them in such other jurisdictions, and in such manner, as may be permitted by applicable law.

(e) The provisions of this Section 11.15 shall survive any termination of this Indenture, in whole or in part.

(f) Each of the Co-Issuers and each of the Guarantors hereby irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any of the aforesaid actions, suits or proceedings arising

out of or in connection with this Indenture brought in the United States federal courts located in the County of New York or the courts of the State of New York located in the County of New York and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. The Co-Issuers and the Guarantors, and their obligations under this Indenture, the Notes and the Note Guarantees (and the Notations of Guarantee), are subject to civil and commercial law and to suit and none of the Co-Issuers, the Guarantors or any of their respective properties, assets or revenues have any right of immunity, on the grounds of sovereignty, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from setoff or counterclaim, from the jurisdiction of any of any Argentinean, Marshall Islands, Brazilian, Panamanian, Paraguayan, Uruguayan, New York State or U.S. federal court, as the case may be, from service of process, attachment upon or prior to judgment, or attachment in aid of execution of judgment, or from execution or enforcement of a judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of a judgment, in any such court, with respect to its obligations or liabilities or any other matter under or arising out of or in connection with this Indenture, the Notes and the Note Guarantees (and the Notations of Guarantee); and, to the extent that the Co-Issuers, any Guarantor or any of their respective properties, assets or revenues may have or may hereafter become entitled to any such right of immunity in any such court in which proceedings may at any time be commenced, each of the Co-Issuers and the Guarantors waived or will waive such right to the extent permitted by law and has consented to such relief and enforcement as provided in this Indenture, the Notes and the Note Guarantees (and the Notations of Guarantee).

SECTION 11.16. Currency of Account; Conversion of Currency; Foreign Exchange Restrictions.

(a) U.S. dollars are the sole currency of account and payment for all sums payable by the Co-Issuers and the Guarantors under or in connection with the Notes, the Note Guarantees or this Indenture, including damages related thereto. Any amount received or recovered in a currency other than U.S. dollars by a Holder (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Co-Issuers or otherwise) in respect of any sum expressed to be due to it from the Co-Issuers shall only constitute a discharge to the Co-Issuers to the extent of the U.S. dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that U.S. dollar amount is less than the U.S. dollar amount expressed to be due to the recipient under the Notes, the Co-Issuers shall indemnify it against any loss sustained by it as a result as set forth in Section 11.16(b). In any event, the Co-Issuers and the Guarantors shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Section 11.16, it shall be sufficient for the Holder to certify in a satisfactory manner (indicating sources of information used) that it would have suffered a loss had an actual purchase of U.S. dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of U.S. dollars on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above). The indemnities set forth in this Section 11.16 constitute separate and independent obligations from other obligations of the Co-Issuers and the Guarantors, shall give

rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under the Notes.

(b) The Co-Issuers and the Guarantors, jointly and severally, covenant and agree that the following provisions shall apply to conversion of currency in the case of the Notes, the Note Guarantees and this Indenture:

(1) (A) If for the purpose of obtaining judgment in, or enforcing the judgment of, any court in any country, it becomes necessary to convert into a currency (the "**Judgment Currency**") an amount due in any other currency (the "**Base Currency**"), then the conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which the judgment is given or the order of enforcement is made, as the case may be (unless a court shall otherwise determine).

(B) If there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given or an order of enforcement is made, as the case may be (or such other date as a court shall determine), and the date of receipt of the amount due, the Co-Issuers and the Guarantors shall pay such additional (or, as the case may be, such lesser) amount, if any, as may be necessary so that the amount paid in the Judgment Currency when converted at the rate of exchange prevailing on the date of receipt shall produce the amount in the Base Currency originally due.

(2) In the event of the winding-up of any Co-Issuer or any Guarantor at any time while any amount or damages owing under the Notes, the Note Guarantees and this Indenture, or any judgment or order rendered in respect thereof, shall remain outstanding, the Co-Issuers and the Guarantors shall indemnify and hold the Holders and the Trustee harmless against any deficiency arising or resulting from any variation in rates of exchange between (i) the date as of which the U.S. Dollar Equivalent of the amount due or contingently due under the Notes, the Note Guarantees and this Indenture (other than under this subsection (b)(2)) is calculated for the purposes of such winding-up and (ii) the final date for the filing of proofs of claim in such winding-up. For the purpose of this subsection (b)(2), the final date for the filing of proofs of claim in the winding-up of any Co-Issuer or any Guarantor shall be the date fixed by the liquidator or otherwise in accordance with the relevant provisions of applicable law as being the latest practicable date as at which liabilities of such Co-Issuer or such Guarantor may be ascertained for such winding-up prior to payment by the liquidator or otherwise in respect thereto.

(c) The obligations contained in subsections (a), (b)(1)(B) and (b)(2) of this Section 11.16 shall constitute separate and independent obligations from the other obligations of the Co-Issuers and the Guarantors under this Indenture, shall give rise to separate and independent causes of action against the Co-Issuers and the Guarantors, shall apply irrespective of any waiver or extension granted by any Holder or the Trustee or either of them from time to time and shall continue in full force and effect notwithstanding any judgment or order or the filing of any proof of claim in the winding-up of any Co-Issuer or any Guarantor for a liquidated sum in respect of amounts due hereunder (other than under subsection (b)(2) above) or under any such judgment or order. Any such deficiency as aforesaid shall be deemed to constitute a loss

suffered by the Holders or the Trustee, as the case may be, and no proof or evidence of any actual loss shall be required by any Co-Issuer or any Guarantor or the liquidator or otherwise or any of them. In the case of subsection (b)(2) above, the amount of such deficiency shall not be deemed to be reduced by any variation in rates of exchange occurring between the said final date and the date of any liquidating distribution.

(d) The term "**rate of exchange**" shall mean the rate of exchange quoted by Reuters at 10:00 a.m. (New York time) for spot purchases of the Base Currency with the Judgment Currency other than the Base Currency referred to in subsections (b)(1) and (b)(2) above and includes any premiums and costs of exchange payable.

SECTION 11.17. Patriot Act.

The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed all as of the date first written above.

NAVIOS SOUTH AMERICAN LOGISTICS INC.

By: /s/ Angeliki Frangou
Name: Angeliki Frangou
Title: Chairman

NAVIOS LOGISTICS FINANCE (US) INC.

By: /s/ Vasiliki Papaefthymiou
Name: Vasiliki Papaefthymiou
Title: President/Secretary

CORPORACION NAVIOS S.A.
NAUTICLER S.A.
PONTE RIO SOCIEDAD ANONIMA
NAVARRA SHIPPING CORPORATION
PELAYO SHIPPING CORPORATION,
as Guarantors

By: /s/ George Achniotis
Name: George Achniotis
Title: Authorized Signatory

COMPANIA NAVIERA HORAMAR S.A.,
as Guarantor

By: /s/ Horacio E. Lopez
Name: Horacio E. Lopez
Title: Authorized Signatory

COMPANIA DE TRANSPORTE FLUVIAL
INTERNACIONAL S.A.
PETROVIA INTERNACIONAL S.A.,
as Guarantors

By: /s/ Mauro Caballero
Name: Mauro Caballero
Title: Authorized Signatory

MERCO PAR S.A.C.I.,
as Guarantor

By: /s/ Horacio E. Lopez
Name: Horacio E. Lopez
Title: Authorized Signatory

By: /s/ Eduardo Blanc
Name: Eduardo Blanc
Title: Authorized Signatory

NAVEGACION GUARANI S.A.,
as Guarantor

By: /s/ Carlos A. Lopez
Name: Carlos A. Lopez
Title: Authorized Signatory

By: /s/ Norma Aguilar
Name: Norma Aguilar
Title: Authorized Signatory

HIDROVIA OSR S.A.,
as Guarantor

By: /s/ Norma Aguilar
Name: Norma Aguilar
Title: Authorized Signatory

By: /s/ Marcos J. Peroni
Name: Marcos J. Peroni
Title: Authorized Signatory

MERCO FLUVIAL S.A.,
as Guarantor

By: /s/ Marcos J. Peroni
Name: Marcos J. Peroni
Title: Authorized Signatory

By: /s/ Quirino Fernandez
Name: Quirino Fernandez
Title: Authorized Signatory

PETROLERA SAN ANTONIO S.A.,
as Guarantor

By: /s/ Carlos A. Lopez
Name: Carlos A. Lopez
Title: Authorized Signatory

By: /s/ Eduardo Blanc
Name: Eduardo Blanc
Title: Authorized Signatory

STABILITY OCEANWAYS S.A.,
as Guarantor

By: /s/ Carmen Rodriguez
Name: Carmen Rodriguez
Title: Authorized Signatory

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: /s/ Martin Reed
Name: Martin Reed
Title: Vice President

EXHIBIT A

[Insert the Global Note Legend, if applicable pursuant to the provisions of the Indenture]

[Insert the Private Placement Legend, if applicable pursuant to the provisions of the Indenture]

NAVIOS SOUTH AMERICAN LOGISTICS INC.

NAVIOS LOGISTICS FINANCE (US) INC.

9 1/4% Senior Notes 2019

CUSIP No.
ISIN No.

No. $

NAVIOS SOUTH AMERICAN LOGISTICS INC., a Marshall Islands corporation, and NAVIOS LOGISTICS FINANCE (US) INC., (the " **Co-Issuers**"), for value received, jointly and severally, promise to pay to _____ or its registered assigns, the principal sum of U.S. dollars [or such other amount as is provided in a schedule attached hereto] [1] on April 15, 2019.

Interest Payment Dates: April 15 and October 15, commencing October 15, 2011.

Record Dates: April 1 and October 1.

Reference is made to the further provisions of this Note contained herein, which shall for all purposes have the same effect as if set forth at this place.

---

1 This language should be included only if the Note is issued in global form.

IN WITNESS WHEREOF, the Co-Issuers have caused this Note to be signed manually or by facsimile by its duly authorized Officer.

Dated:

NAVIOS SOUTH AMERICAN LOGISTICS INC.,
as Co-Issuer

By: _____
Name:
Title:

NAVIOS LOGISTICS FINANCE (US) INC.,
as Co-Issuer

By: _____
Name:
Title:

FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the 9¼% Senior Notes due 2019 described in the within-mentioned Indenture.

Dated:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

(Reverse of Note)

9¼% Senior Notes due 2019

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

SECTION 1. Interest. Navios South American Logistics Inc., a Marshall Islands corporation, and Navios Logistics Finance (US) Inc., a Delaware corporation as co-issuers, (the "**Co-Issuers**"), jointly and severally promise to pay interest (including Additional Interest, if applicable) on the principal amount of this Note at 9¼% per annum from [April 12, 2011]*, until maturity. The Company shall pay interest semi-annually in arrears on April 15 and October 15 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each an " **Interest Payment Date**"), commencing October 15, 2011. Interest on the Notes shall accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance. The Co-Issuers shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand to the extent lawful at the interest rate applicable to the Notes; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Additional Interest, if any (in each case without regard to any applicable grace periods), from time to time on demand at the same rate to the extent lawful. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 2. Method of Payment. The Co-Issuers shall pay interest and Additional Interest, if any, on the Notes to the Persons who are registered Holders at the close of business on the April 1 or October 1 next preceding the Interest Payment Date, even if such Notes are canceled after such Record Date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes shall be issued in denominations of $2,000 and integral multiples of $1,000 in excess thereof. The Co-Issuers shall pay principal, premium, if any, and interest on the Notes in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts (" **U.S. Legal Tender**"). Principal, premium, if any, interest and Additional Interest, if any, on the Notes shall be payable at the office or agency of the Co-Issuers maintained in the United States for such purpose except that, at the option of the Co-Issuers, the payment of interest and Additional Interest, if any, may be made by check mailed to the Holders at their respective addresses set forth in the register of Holders; *provided* that for Holders owning at least $100,000 aggregate principal amount of Notes that have given wire transfer instructions to the Co-Issuers at least ten (10) Business Days prior to the applicable payment date, the Co-Issuers shall make all payments of principal, interest, premium and Additional Interest, if any, by wire transfer of immediately available funds to the accounts specified by the Holders thereof. Until otherwise designated by the Co-Issuers, the Co-Issuers 'office or agency in the United States shall be the office of the Trustee maintained for such purpose.

* In the case of Notes issued on the Issue Date.

SECTION 3. Paying Agent and Registrar. Initially, Wells Fargo Bank, National Association, the Trustee under the Indenture, shall act as Paying Agent and Registrar. The Co-Issuers may change any Paying Agent or Registrar without notice to any Holder. Except as provided in the Indenture, the Co-Issuers or any of their Subsidiaries may act in any such capacity.

SECTION 4. Indenture. The Co-Issuers issued the Notes under an Indenture dated as of April 12, 2011 (the " **Indenture**") by and among the Co-Issuers, the Guarantors (as defined therein) and the Trustee. The terms of the Notes include those stated in the Indenture and , following the qualification of the Indenture under the Trust Indenture Act of 1939, as amended (15 U.S. Code §§ 77aaa-77bbbb) (the " **Trust Indenture Act**"), when the Notes are registered under the Securities Act pursuant to the Registration Rights Agreement, those made part of the Indenture by reference to the Trust Indenture Act. The Notes are subject to all such terms, and Holders are referred to the Indenture and the Trust Indenture Act for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling.

SECTION 5. Optional Redemption.

(a) On or after April 15, 2014, the Co-Issuers may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Additional Interest, if any, on the Notes redeemed, to (but excluding) the applicable Redemption Date, if redeemed during the twelve-month period beginning on April 15 of the years indicated below, subject to the rights of Holders on the relevant Record Date to receive interest on the relevant Interest Payment Date:

Year	Percentage
2014	106.938%
2015	104.625%
2016	102.313%
2017 and thereafter	100.000%

(b) Prior to April 15, 2014, the Co-Issuers may, at their option, redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice at a redemption price equal to the sum of:

(i) 100% of the principal amount of the Notes to be redeemed, plus

(ii) the Applicable Premium, plus

accrued and unpaid interest and Additional Interest, if any, on the Notes redeemed, to (but excluding) the applicable Redemption Date, subject to the right of Holders on the relevant Record Date to receive interest due on the relevant interest payment date (a " **Make-Whole Redemption**").

SECTION 6. Redemption With Proceeds of Equity Offerings. At any time prior to April 15, 2014, the Co-Issuers may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes issued under the Indenture (including any Additional Notes) at a Redemption Price of 109.25% of the principal amount, plus accrued and unpaid interest and Additional Interest, if any, to (but excluding) the Redemption Date, with the net cash proceeds of one or more Equity Offerings; *provided* that:

(1) at least 65% of the aggregate principal amount of Notes issued under the Indenture (excluding Notes held by the Co-Issuers and their Restricted Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) such redemption occurs not more than 180 days after the date of the closing of the relevant such Equity Offering.

SECTION 7. Redemption for Changes in Withholding Tax. The Co-Issuers may, at their option, redeem all, but not less than all, of the Notes then outstanding at a redemption price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest and Additional Amounts, if any, thereon to the Redemption Date, if the Co-Issuers have become or would become obligated to pay, on the next date on which any amount would be payable with respect to such Notes, any Additional Amounts as a result of any change in law (including any regulations promulgated thereunder) or in the official interpretation or administration of law, if such change is announced and becomes effective on or after the Issue Date and the Co-Issuers determine in good faith that such obligation cannot be avoided (including, without limitation, by changing the jurisdiction from which or through which payment is made) by the use of reasonable measures (not requiring material cost) available to the Co-Issuers and the Guarantors.

Notice of any such redemption must be given within 60 days of the earlier of the announcement and the effectiveness of any such amendment or change referred to in the preceding paragraph. At the time such notice of redemption is given, such obligation to pay such Additional Amounts must remain in effect. Immediately prior to the mailing of any notice of redemption described above, the Co-Issuers shall deliver to the Trustee (i) an Officers' Certificate stating that the Co-Issuers are entitled to elect to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Co-Issuers so to elect to redeem have occurred and (ii) if requested by the Trustee, an Opinion of Counsel qualified under the laws of the relevant jurisdiction to the effect that the Co-Issuers or the applicable Guarantor or such successor Person, as the case may be, has or will become obligated to pay such Additional Amounts as a result of such amendment or change.

SECTION 8. Selection and Notice of Redemption. Notes in denominations larger than $2,000 may be redeemed in part; provided that Notes shall be redeemed only in integral multiples of $1,000 unless all Notes held by a Holder are to be redeemed. Notice of redemption shall be delivered electronically or mailed by first class mail at least 30 days but not more than 60 days before the Redemption Date to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a Redemption Date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. If any Note is to be redeemed in part only, the notice of redemption that relates to such Note shall state the portion of the principal amount thereof to be

redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note shall be issued in the name of the Holder upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the Redemption Date, interest and Additional Interest, if any, cease to accrue on Notes or portions thereof called for redemption, unless the Co-Issuers default in the payment of the Redemption Price.

SECTION 9. Mandatory Redemption. The Co-Issuers shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes (it being understood that the foregoing shall not limit Section 10 below).

SECTION 10. Repurchase at Option of Holder.

(a) Upon the occurrence of a Change of Control, and subject to certain conditions set forth in the Indenture, the Co-Issuers shall be required to offer to purchase all or any part (equal to $2,000 or an integral multiple of $1,000 in excess thereof) of the outstanding Notes at a purchase price equal to 101% of the aggregate principal amount thereof, plus accrued and unpaid interest and Additional Interest, if any, thereon to the date of repurchase, subject to the rights of Holders on the relevant Record Date to receive interest due on the relevant interest payment date.

(b) The Co-Issuers are, subject to certain conditions and exceptions, obligated to make an offer to purchase Notes and certain other *pari passu* Indebtedness at 100% of their principal amount, plus accrued and unpaid interest and Additional Interest, if any, thereon to the date of repurchase, with certain Excess Proceeds of Asset Sales in accordance with the Indenture.

SECTION 11. Denominations, Transfer, Exchange. The Notes are in registered form without coupons in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Co-Issuers may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Co-Issuers and the Registrar are not required to transfer or exchange any Note selected for redemption, except the unredeemed portion of any Note being redeemed in part. Also, the Co-Issuers and the Registrar are not required to transfer or exchange any Notes for a period of 15 days before the mailing of a notice of redemption of Notes to be redeemed.

SECTION 12. Persons Deemed Owners. The registered Holder of a Note may be treated as its owner for all purposes.

SECTION 13. Amendment, Supplement and Waiver. The Indenture and the Notes may be amended, supplemented or waived as set forth in, and subject to the terms and conditions of, the Indenture.

SECTION 14. Defaults and Remedies. The Events of Default relating to the Notes are set forth in Section 6.01 of the Indenture. If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes generally may declare all the Notes to be due and payable immediately. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or

insolvency as set forth in the Indenture, all outstanding Notes shall become due and payable without further action or notice. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing Default (except a Default relating to the payment of principal, premium or interest or Additional Interest, if any, including an accelerated payment or the failure to make a payment on the Change of Control Payment Date pursuant to a Change of Control Offer or the Asset Sale Payment Date pursuant to an Asset Sale Offer if it determines that withholding notice is in their interest. The Holders of a majority in aggregate principal amount of the Notes then outstanding, by notice to the Trustee, may on behalf of the Holders of all of the Notes rescind an acceleration or waive any existing Default and its consequences under the Indenture except a continuing Default in the payment of interest on, or the principal of, or the premium or Additional Interest on, the Notes, subject to certain conditions being met. The Co-Issuers shall deliver to the Trustee a statement specifying any Default or Event of Default within 30 days of becoming aware thereof.

SECTION 15. Additional Amounts. All payments made by the Co-Issuers under or with respect to this Note or by a Guarantor under or with respect to its Note Guarantee shall be made free and clear of and without withholding or deduction for or on account of any present or future Taxes to the extent provided in Section 4.20 of the Indenture.

SECTION 16. No Recourse Against Others. No past, future or present director, Officer, employee, incorporator, member, manager, agent or shareholder of the Co-Issuers or any Guarantor, as such, shall have any liability for any obligations of the Co-Issuers or any Guarantors under the Notes, the Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. The Holder by accepting this Note and the Note Guarantees waives and releases all such liability. Such waiver and release are part of the consideration for issuance of this Note and the Note Guarantees.

SECTION 17. Note Guarantees. This Note shall be entitled to the benefits of certain Note Guarantees made for the benefit of the Holders. Reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and obligations thereunder of the Guarantors, the Trustee and the Holders.

SECTION 18. Trustee Dealings with the Co-Issuers. Subject to certain terms set forth in the Indenture, the Trustee, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Co-Issuers, the Guarantors their Subsidiaries or their respective Affiliates as if it were not the Trustee.

SECTION 19. Authentication. This Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

SECTION 20. Abbreviations. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

SECTION 21. Additional Rights of Holders of Restricted Global Notes and Restricted Definitive Notes . Pursuant to, but subject to the exceptions in, the Registration Rights Agreement, the Co-Issuers and the Guarantors shall be obligated to use their commercially reasonable efforts to consummate an exchange offer pursuant to which the Holder of this Note shall have the right to exchange this Note for a 9 1/4% Senior Note due 2019 of the Co-Issuers which shall have been registered under the Securities Act, in like principal amount and having terms identical in all material respects to this Note (except that such Note shall not be entitled to Additional Interest and shall not contain terms with respect to transfer restrictions). The Holders shall be entitled to receive certain Additional Interest in the event such exchange offer is not consummated or the Notes are not offered for resale and upon certain other conditions, all pursuant to and in accordance with the terms of the Registration Rights Agreement. [2]

SECTION 22. CUSIP and ISIN Numbers. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Co-Issuers have caused CUSIP and ISIN numbers to be printed on the Notes and the Trustee may use CUSIP or ISIN numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

SECTION 23. GOVERNING LAW. **THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO CONFLICTS OF LAW PRINCIPLES TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.**

The Co-Issuers shall furnish to any Holder upon written request and without charge a copy of the Indenture.

---

2 This Section not to appear on Exchange Securities or Additional Notes unless required by the terms of such Additional Notes.

ASSIGNMENT FORM

I or we assign and transfer this Note to

_____

(Print or type name, address and zip code of assignee or transferee)

(Insert Social Security or other identifying number of assignee or transferee)

and irrevocably appoint _____ agent to transfer this Note on the books of the Co-Issuers. The agent may substitute another to act for him.

Dated: _____ Signed: _____

(Sign exactly as name appears on the other side of this Note)

Signature Guarantee: _____

Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor program reasonably acceptable to the Trustee)

In connection with any transfer of this Note occurring prior to the date which is the date following the second anniversary of the original issuance of this Note, the undersigned confirms that it has not utilized any general solicitation or general advertising in connection with the transfer and is making the transfer pursuant to one of the following:

[Check One]

(1)___ to the Co-Issuers or a subsidiary thereof; or

(2)___ to a person who the transferor reasonably believes is a "qualified institutional buyer" pursuant to and in compliance with Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"); or

(3)___ outside the United States to a non-"U.S. person" as defined in Rule 902 of Regulation S under the Securities Act in compliance with Rule 904 of Regulation S under the Securities Act; or

(4)___ pursuant to the exemption from registration provided by Rule 144 under the Securities Act or pursuant to another exemption available under the Securities Act; or

(5)___ pursuant to an effective registration statement under the Securities Act.

and unless the box below is checked, the undersigned confirms that such Note is not being transferred to an "affiliate" of the Co-Issuers as defined in Rule 144 under the Securities Act (an "Affiliate"):

☐ transferee is an Affiliate of the Co-Issuers.

Unless one of the foregoing items (1) through (6) is checked, the Trustee shall refuse to register any of the Notes evidenced by this certificate in the name of any person other than the registered Holder thereof; *provided*, *however*, that if item (3) or (4) is checked, the Co-Issuers or the Trustee may require, prior to registering any such transfer of the Notes, in their sole discretion, such written legal opinions, certifications (including an investment letter in the case of box (3)) and other information as the Trustee or the Co-Issuers has reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

If none of the foregoing items (1) through (5) are checked, the Trustee or Registrar shall not be obligated to register this Note in the name of any person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 2.16 of the Indenture shall have been satisfied.

Dated: _____ Signed: _____

(Sign exactly as name appears on the other side of this Note)

Signature Guarantee: _____

Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor program reasonably acceptable to the Trustee)

TO BE COMPLETED BY PURCHASER IF (2) ABOVE IS CHECKED

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Co-Issuers as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: _____

_____

NOTICE: To be executed by an executive officer

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Co-Issuers pursuant to Section 4.09 or Section 4.13 of the Indenture, check the appropriate box:

Section 4.09 [ ] Section 4.13 [ ]

If you want to elect to have only part of this Note purchased by the Co-Issuers pursuant to Section 4.09 or Section 4.13 of the Indenture, state the amount (in denominations of $2,000 and integral multiples of $1,000 in excess thereof): $_____

Dated: _____ Signed: _____

(Sign exactly as name appears on the other side of this Note)

Signature Guarantee: _____

Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor program reasonably acceptable to the Trustee)

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE [3]

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Physical Note, or exchanges of a part of another Global Note or Physical Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease (or increase)	Signature of authorized signatory of Trustee or Note Custodian

3 This schedule should be included only if the Note is issued in global form.

EXHIBIT B

FORM OF LEGENDS

Each Global Note and Physical Note that constitutes a Restricted Security shall bear the following legend (the "Private Placement Legend") on the face thereof until after the second anniversary of the Issue Date, unless otherwise agreed by the Co-Issuers and the Holder thereof or if such legend is no longer required by Section 2.16(f) of the Indenture:

THE NOTES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT") AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A)(1) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), (4) PURSUANT TO ANOTHER APPLICABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS.

Each Global Note authenticated and delivered hereunder shall also bear the following legend:

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY OR A SUCCESSOR DEPOSITORY. THIS NOTE IS NOT EXCHANGEABLE FOR NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS NOTE (OTHER THAN A TRANSFER OF THIS NOTE AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY) MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION

OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

EXHIBIT C

Form of Certificate To Be Delivered
in Connection with Transfers
Pursuant to Regulation S

[ ], [ ]

Wells Fargo Bank, National Association,
as Trustee and Registrar — DAPS Reorg
MAC N9303-121
608 2nd Avenue South
Minneapolis, MN 55479
Telephone No.: (877) 872-4605
Fax No.: (866) 969-1290
Email: DAPSReorg@wellsfargo.com

Re: Navios South American Logistics Inc. and Navios Logistics Finance (US) Inc. (the "**Co-Issuers**") 9¼% Senior Notes due 2019 (the "**Notes**")

Ladies and Gentlemen:

In connection with our proposed sale of $200,000,000 aggregate principal amount of the Notes, we confirm that such sale has been effected pursuant to and in accordance with Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and, accordingly, we represent that:

(1) the offer of the Notes was not made to a person in the United States;

(2) either (a) at the time the buy offer was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States, or (b) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither we nor any person acting on our behalf knows that the transaction has been prearranged with a buyer in the United States;

(3) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable;

(4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and

(5) we have advised the transferee of the transfer restrictions applicable to the Notes.

You, as Trustee, the Co-Issuers, counsel for the Co-Issuers and others are entitled to conclusively rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S under the Securities Act.

Very truly yours,

[Name of Transferor]

By: _____
Authorized Signatory

EXHIBIT D

FORM OF SUPPLEMENTAL INDENTURE

TO BE DELIVERED BY SUBSEQUENT GUARANTORS

SUPPLEMENTAL INDENTURE (this "**Supplemental Indenture**"), dated as of , 20 , among (the "**Guaranteeing Subsidiary**"), a subsidiary of Navios South American Logistics Inc. (or its permitted successor), a Marshall Islands corporation (the " **Company**"), the Company and Navios Logistics Finance (US) Inc., a Delaware corporation, (together with the Company, the " **Co-Issuers**") the other Guarantors (as defined in the Indenture referred to herein) and Wells Fargo Bank, National Association, as trustee (or its permitted successor) under the Indenture referred to below (the " **Trustee**").

WITNESSETH

WHEREAS, the Co-Issuers and the Guarantors has heretofore executed and delivered to the Trustee an indenture (the " **Indenture**"), dated as of April 12, 2011 providing for the issuance of 9 1/4% Senior Notes due 2019 (the "**Notes**");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Co-Issuers' obligations under the Notes and the Indenture on the terms and conditions set forth herein (the " **Note Guarantee**"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. The Guaranteeing Subsidiary hereby agrees to provide an unconditional Guarantee, on and subject to the terms, conditions and limitations set forth in the Notation of Guarantee and in the Indenture, including, but not limited, to Article Ten thereof.

4. NEW YORK LAW TO GOVERN. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO

CONFLICTS OF LAW PRINCIPLES TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

5. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

6. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

7. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Co-Issuers.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

Dated: , 20

[GUARANTEEING SUBSIDIARY]

By: _____
Name:
Title:

NAVIOS SOUTH AMERICAN LOGISTICS INC.,

By: _____
Name:
Title:

NAVIOS LOGISTICS FINANCE (US) INC.,

By: _____
Name:
Title:

[EXISTING GUARANTORS]

By: _____
Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

EXHIBIT E

NOTATION OF GUARANTEE

For value received, each Guarantor (which term includes any successor Person under the Indenture) has, jointly and severally, unconditionally guaranteed, to the extent set forth in the Indenture and subject to the provisions in the Indenture dated as of April 12, 2011 (the " **Indenture**"), among Navios South American Logistics Inc. and Navios Logistics Finance (US) Inc. (collectively, the "**Co-Issuers**"), the Guarantors party thereto and Wells Fargo Bank, National Association, as trustee (the "**Trustee**"), (a) (x) the due and punctual payment of the principal of, premium, if any, and interest and Additional Interest, if any, on the Notes when and as the same shall become due and payable, whether at maturity, upon redemption or repurchase, by acceleration or otherwise, (y) the due and punctual payment of interest on the overdue principal and (to the extent permitted by law) interest and Additional Interest, if any, on the Notes and (z) the due and punctual payment and performance of all other obligations of the Co-Issuers and all other obligations of the other Guarantors (including under the Note Guarantees). The obligations of the Guarantors to the Holders and to the Trustee pursuant to the Note Guarantee and the Indenture are expressly set forth in Article 10 of the Indenture and reference is hereby made to the Indenture for the precise terms of the Note Guarantee.

Capitalized terms used but not defined herein have the meanings given to them in the Indenture.

IN WITNESS WHEREOF, each Guarantor has caused this Notation of Guarantee to be duly executed.

Date:

[Guarantors]

EXHIBIT F

FORM OF INCUMBENCY CERTIFICATE

The undersigned, _____, being the _____ of _____ (the " **Co-Issuer**"), does hereby certify that the individuals listed below are qualified and acting officers of the Co-Issuer as set forth in the right column opposite their respective names and the signatures appearing in the extreme right column opposite the name of each such officer is a true specimen of the genuine signature of such officer and such individuals have the authority to execute documents to be delivered to, or upon the request of, Wells Fargo Bank, National Association, as Trustee under the Indenture dated as of April 12, 2011, by and between the Co-Issuer, the guarantors party thereto and Wells Fargo Bank, National Association.

Name	Title	Signature

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate as of the _____ day of _____, 20_.

Name:
Title:

Exhibit 10.1

Registration Rights Agreement

Dated as of April 12, 2011

among

NAVIOS SOUTH AMERICAN LOGISTICS INC.
NAVIOS LOGISTICS FINANCE (US) INC.

and

Merrill Lynch, Pierce, Fenner & Smith Incorporated

J.P. Morgan Securities LLC

Citigroup Global Markets Inc.

Credit Suisse Securities (USA) LLC

S. Goldman Advisors LLC

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement") is made and entered into as of April 12, 2011 by and among NAVIOS SOUTH AMERICAN LOGISTICS INC., a Marshall Islands corporation (the " Company"), NAVIOS LOGISTICS FINANCE (US) INC., a Delaware corporation ("Navios Finance" and, together with the Company, the "Co-Issuers"), each of the guarantors listed in Schedule A attached hereto (the "Guarantors"), and Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill") and each other Initial Purchaser set forth on Schedule B attached hereto collectively, the "Initial Purchasers"), for whom Merrill is acting as representative (the " Representative").

This Agreement is made pursuant to the Purchase Agreement, dated as of April 12, 2011, among the Co-Issuers, the Guarantors and the Initial Purchasers (the "Purchase Agreement"), which provides for the sale by the Co-Issuers to the Initial Purchasers of an aggregate of $200,000,000 principal amount of the Co-Issuers' 9¼% Senior Notes due 2019 (the "Notes"), unconditionally guaranteed on a senior basis by each of the Guarantors (the "Guarantees" and together with the Notes, the "Securities"). In order to induce the Initial Purchasers to enter into the Purchase Agreement, the Co-Issuers and the Guarantors have agreed to provide to the Initial Purchasers and their direct and indirect transferees the registration rights set forth in this Agreement. The execution of this Agreement is a condition to the closing under the Purchase Agreement.

In consideration of the foregoing, the parties hereto agree as follows:

1. Definitions.

As used in this Agreement, the following capitalized defined terms shall have the following meanings:

"1933 Act" shall mean the Securities Act of 1933, as amended from time to time.

"1934 Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

"Additional Interest" shall have the meaning set forth in Section 2.5 hereof,

"Business Day" shall mean any day other than a Saturday, Sunday, U.S. Federal holiday or a day on which banking institutions or trust companies located in the city of New York, New York, are authorized or obligated by law or executive order to close.

"Closing Date" shall mean the day of the Closing Time as defined in the Purchase Agreement.

"Co-Issuer" shall have the meaning set forth in the preamble.

"Company" shall have the meaning set forth in the preamble and shall also include the Company's successors.

"Depositary" shall mean The Depository Trust Company, or any other depositary appointed by the Co-Issuers, *provided, however*, that such depositary must have an address in the Borough of Manhattan, in the City of New York.

"Effectiveness Period" shall have the meaning set forth in Section 2.2 hereof.

"Exchange Offer" shall mean the exchange offer by the Co-Issuers and the Guarantors of Exchange Securities for Registrable Securities pursuant to Section 2.1 hereof.

"Exchange Offer Registration" shall mean a registration under the 1933 Act effected pursuant to Section 2.1 hereof.

"Exchange Offer Registration Statement" shall mean an exchange offer registration statement on Form F-4 (or, if applicable, on another appropriate form), and all amendments and supplements to such registration statement, including the Prospectus contained therein, all exhibits thereto and all documents incorporated by reference therein. For the avoidance of doubt, all guarantors in respect of the Notes (regardless of whether each such person is a Guarantor on the date hereof) shall be included as registrants in any Exchange Offer Registration Statement.

"Exchange Period" shall have the meaning set forth in Section 2.1 hereof.

"Exchange Securities" shall mean the 9 1/4% Senior Notes due 2019, issued by the Co-Issuers under the Indenture containing terms identical to the Securities in all material respects (except that the additional interest rate, restrictions on transfers and restrictive legends provisions thereof shall be eliminated), to be offered to Holders of Securities in exchange for Securities pursuant to the Exchange Offer.

"Guarantor" shall have the meaning set forth in the preamble and shall also include any additional guarantors in respect of the Notes (regardless of whether each such person is listed as a Guarantor on Schedule A on the date hereof).

"Holder" shall mean an Initial Purchaser, for so long as it owns any Registrable Securities, and each of its successors, assigns and direct and indirect transferees who become registered owners of Registrable Securities under the Indenture and each Participating Broker-Dealer that holds Exchange Securities for so long as such Participating Broker-Dealer is required to deliver a prospectus meeting the requirements of the 1933 Act in connection with any resale of such Exchange Securities.

"Indenture" shall mean the Indenture relating to the Securities, dated as of April 12, 2011, among the Co-Issuers, the Guarantors and Wells Fargo Bank, National Association, as trustee, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof.

"Initial Purchaser" or "Initial Purchasers" shall have the meaning set forth in the preamble.

"Majority Holders" shall mean the Holders of a majority of the aggregate principal amount of outstanding Registrable Securities; *provided* that whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, Registrable Securities held by either Co-Issuer, the Guarantors and any other guarantors of the Notes or any Affiliate (as defined in the Indenture) of the Co-Issuers or the Guarantors (or any other guarantor of the Notes) shall be disregarded in determining whether such consent or approval was given by the Holders of such required percentage amount.

"Notes" shall have the meaning set forth in the preamble.

"Participating Broker-Dealer" shall mean any of Merrill, J.P. Morgan Securities LLC, Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and S. Goldman Advisors LLC, and any other broker-dealer which makes a market in the Securities and exchanges Registrable Securities in the Exchange Offer for Exchange Securities.

"Person" shall mean an individual, partnership (general or limited), corporation, limited liability company, trust or unincorporated organization, or a government or agency or political subdivision thereof.

"Private Exchange" shall have the meaning set forth in Section 2.1 hereof.

"Private Exchange Securities" shall have the meaning set forth in Section 2.1 hereof.

"Prospectus" shall mean the prospectus included in a Registration Statement, including any preliminary prospectus, and any such prospectus as amended or supplemented by any prospectus supplement, including any such prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by a Shelf Registration Statement, and by all other amendments and supplements to a prospectus, including post-effective amendments, and in each case including all material incorporated by reference therein.

"Purchase Agreement" shall have the meaning set forth in the preamble.

"Registrable Securities" shall mean the Securities and, if issued, the Private Exchange Securities; *provided* that, such Securities and, if issued, such Private Exchange Securities shall cease to be Registrable Securities on the earliest to occur of (i) the date on which a Registration Statement with respect to such Securities or such Private Exchange Securities has become effective under the 1933 Act and such Securities or such Private Exchange Securities have been exchanged or disposed of pursuant to such Registration Statement, (ii) the date on which such Securities or Private Exchange Securities shall have ceased to be outstanding or (iii) the date on which the Exchange Offer is consummated (except in the case of Private Exchange Securities and Securities purchased from the Co-Issuers and continued to be held by the Initial Purchasers).

"Registration Default" shall have the meaning set forth in Section 2.5 hereof.

"Registration Expenses" shall mean any and all expenses incident to or incurred in connection with the performance by the Co-Issuers and the Guarantors of, or compliance by

the Co-Issuers and the Guarantors with, this Agreement, including without limitation: (i) all SEC, stock exchange or Financial Industry Regulatory Authority, Inc. ("FINRA") registration and filing fees, including, if applicable, the fees and expenses of any "qualified independent underwriter" (and its counsel) that is required to be retained by any holder of Registrable Securities in accordance with the rules and regulations of FINRA, (ii) all fees and expenses incurred in connection with compliance with state securities or blue sky laws and compliance with the rules of FINRA (including reasonable fees and disbursements of counsel for any underwriters or Holders in connection with blue sky qualification of any of the Exchange Securities or Registrable Securities and any filings with FINRA), (iii) all expenses of any Persons in preparing or assisting in preparing, word processing, printing and distributing any Registration Statement, any Prospectus, any amendments or supplements thereto, any underwriting agreements, securities sales agreements and other documents relating to the performance of and compliance with this Agreement, (iv) all fees and expenses incurred in connection with the listing, if any, of any of the Registrable Securities on any securities exchange or exchanges, (v) all rating agency fees, (vi) the fees and disbursements of counsel for the Co-Issuers and the Guarantors and of the independent public accountants of the Co-Issuers and the Guarantors, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance, (vii) the fees and expenses of the Trustee, and any escrow agent or custodian, (viii) the reasonable fees and expenses of the Initial Purchasers in connection with the Exchange Offer, (ix) in the case of a Shelf Registration Statement, the reasonable fees and disbursements of one special counsel (and any reasonably requested local counsel) representing the Holders of Registrable Securities (which counsel shall be elected by the Majority Holders and which counsel may also be the counsel for the Initial Purchasers) and (x) any fees and disbursements of the underwriters customarily required to be paid by issuers or sellers of securities and the fees and expenses of any special experts retained by the Co-Issuers and the Guarantors in connection with any Registration Statement, but excluding underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of Registrable Securities by a Holder.

"Registration Statement" shall mean any registration statement of the Co-Issuers and the Guarantors which covers any of the Exchange Securities or Registrable Securities pursuant to the provisions of this Agreement, and all amendments and supplements to any such Registration Statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"SEC" shall mean the Securities and Exchange Commission or any successor agency or government body performing the functions currently performed by the United States Securities and Exchange Commission.

"Shelf Registration" shall mean a registration effected pursuant to Section 2.2 hereof.

"Shelf Registration Statement" shall mean a "shelf" registration statement of the Co-Issuers and the Guarantors pursuant to the provisions of Section 2.2 of this Agreement which covers all of the Registrable Securities or all of the Private Exchange Securities on an appropriate form under Rule 415 under the 1933 Act, or any similar rule that may be adopted by the SEC, and all amendments and supplements to such registration statement, including post-effective

amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein. For the avoidance of doubt, all guarantors in respect of the Notes (regardless of whether each such person is a Guarantor on the date hereof) shall be included as registrants in any Shelf Registration Statement.

"Shelf Suspension Period" shall have the meaning set forth in Section 2.2 hereof.

"Trustee" shall mean the trustee with respect to the Securities under the Indenture.

2. Registration Under the 1933 Act.

2.1. Exchange Offer. The Co-Issuers and the Guarantors shall, for the benefit of the Holders, at the Co-Issuers' and the Guarantors' cost, (A) prepare and file with the SEC no later than 270 days after the Closing Date, an Exchange Offer Registration Statement on an appropriate form under the 1933 Act with respect to a proposed Exchange Offer and the issuance and delivery to the Holders, in exchange for the Registrable Securities (other than Private Exchange Securities), of a like principal amount of Exchange Securities, (B) use their commercially reasonable efforts to cause the Exchange Offer Registration Statement to be declared effective, under the 1933 Act not later than 365 days after the Closing Date, (C) use their commercially reasonable efforts to keep the Exchange Offer Registration Statement effective until the closing of the Exchange Offer, (D) use their commercially reasonable efforts to cause the Exchange Offer to be consummated not later than 400 days after the Closing Date, and (E) upon the effectiveness of the Exchange Offer Registration Statement, promptly commence the Exchange Offer, it being the objective of such Exchange Offer to enable each Holder eligible and electing to exchange Registrable Securities for Exchange Securities (*provided* that such Holder (a) is not an affiliate of either Co-Issuer within the meaning of Rule 405 under the 1933 Act, (b) is not a broker-dealer tendering Registrable Securities acquired directly from the Co-Issuers for its own account, (c) acquired the Exchange Securities in the ordinary course of such Holder's business and (d) has no arrangements or understandings with any Person to participate in the Exchange Offer for the purpose of distributing the Exchange Securities) to transfer such Exchange Securities from and after their receipt without any limitations or restrictions under the 1933 Act and under state securities or blue sky laws.

In connection with the Exchange Offer, the Co-Issuers and the Guarantors shall:

(a) mail as promptly as reasonably practicable to each Holder a copy of the Prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;

(b) keep the Exchange Offer open for acceptance for a period of not less than 20 Business Days after the date notice thereof is mailed to the Holders (or longer if required by applicable law) (such period referred to herein as the " Exchange Period");

(c) utilize the services of the Depositary for the Exchange Offer;

(d) permit Holders to withdraw tendered Registrable Securities at any time prior to 5:00 p.m. (Eastern time), on the last Business Day of the Exchange Period, by sending to the institution specified in the notice, a telegram, telex, facsimile transmission or letter setting forth the name of such Holder, the principal amount of Registrable Securities delivered for exchange, and a statement that such Holder is withdrawing such Holder's election to have such Securities exchanged;

(e) notify each Holder that any Registrable Security not tendered will remain outstanding and continue to accrue interest, but will not retain any rights under this Agreement (except in the case of the Initial Purchasers and Participating Broker-Dealers as provided herein); and

(f) otherwise comply in all respects with all applicable laws relating to the Exchange Offer.

A Holder that wishes to exchange Registrable Securities in the Exchange Offer shall be required to (a) represent that (i) it is not an affiliate of either Co-Issuer within the meaning of Rule 405 under the 1933 Act, (ii) all Exchange Securities to be received by it shall be acquired in the ordinary course of its business and (iii) at the time of the consummation of the Exchange Offer it shall have no arrangement or understanding with any person to participate in the distribution (within the meaning of the 1933 Act) of the Exchange Securities and (b) make such other representations as may be reasonably necessary under applicable SEC rules, regulations or interpretations.

If such Holder is a broker-dealer that will receive Exchange Securities for its own account in exchange for Registrable Securities that were acquired as a result of market-making or other trading activities, such broker-dealer will be required to acknowledge that it will deliver a Prospectus in connection with any resale of the Exchange Securities (and the Co-Issuers hereby agree and undertake to provide any such broker-dealer with such number of Prospectuses as such broker-dealer may reasonably request for such purpose).

If, prior to consummation of the Exchange Offer, the Initial Purchasers hold any Securities acquired by them and having the status of an unsold allotment in the initial distribution, the Co-Issuers upon the request of any Initial Purchaser shall, simultaneously with the delivery of the Exchange Securities in the Exchange Offer, issue and deliver to such Initial Purchaser in exchange (the " Private Exchange") for the Securities held by such Initial Purchaser, a like principal amount of debt securities of the Co-Issuers on a senior secured basis, that are identical to the Exchange Securities, except that such securities shall bear appropriate transfer restrictions (the "Private Exchange Securities").

The Exchange Securities and the Private Exchange Securities shall be issued under (i) the Indenture or (ii) an indenture identical in all material respects to the Indenture and which, in either case, has been qualified under the Trust Indenture Act of 1939, as amended (the " TIA"), or is exempt from such qualification and shall provide that the Exchange Securities shall not be subject to the transfer restrictions or "Additional Interest" provisions set forth in the Indenture but that the Private Exchange Securities shall be subject to such transfer restrictions.

The Indenture or such indenture shall provide that the Exchange Securities, the Private Exchange Securities and the Securities shall vote and consent together on all matters as one class and that none of the Exchange Securities, the Private Exchange Securities or the Securities will have the right to vote or consent as a separate class on any matter. The Private Exchange Securities shall be of the same series as and the Co-Issuers shall use all commercially reasonable efforts to have the Private Exchange Securities bear the same CUSIP number as the Exchange Securities, if at any time the same is possible. The Co-Issuers shall not have any liability under this Agreement solely as a result of such Private Exchange Securities not bearing the same CUSIP number as the Exchange Securities.

As soon as reasonably practicable after the close of the Exchange Offer and/or the Private Exchange, as the case may be, the Co-Issuers shall:

(i) accept for exchange all Registrable Securities duly tendered and not validly withdrawn pursuant to the Exchange Offer in accordance with the terms of the Exchange Offer Registration Statement and the letter of transmittal which shall be an exhibit thereto;

(ii) accept for exchange all Securities properly tendered pursuant to the Private Exchange;

(iii) deliver, or cause to be delivered, to the Trustee for cancellation all Registrable Securities so accepted for exchange; and

(iv) cause the Trustee promptly to authenticate and deliver Exchange Securities or Private Exchange Securities, as the case may be, to each Holder of Registrable Securities so accepted for exchange in a principal amount equal to the principal amount of the Registrable Securities of such Holder so accepted for exchange.

Interest on each Exchange Security and Private Exchange Security will accrue from the last date on which interest was paid on the Registrable Securities surrendered in exchange therefor or, if no interest has been paid on the Registrable Securities, from the date of original issuance. The Exchange Offer and the Private Exchange shall not be subject to any conditions, other than (i) that the Exchange Offer or the Private Exchange, or the making of any exchange by a Holder, does not violate applicable law or any applicable interpretation of the staff of the SEC, (ii) the due tendering of Registrable Securities in accordance with the Exchange Offer and the Private Exchange, (iii) that each Holder of Registrable Securities exchanged in the Exchange Offer shall have represented that all Exchange Securities to be received by it shall be acquired in the ordinary course of its business and that at the time of the consummation of the Exchange Offer it shall have no arrangement or understanding with any person to participate in the distribution (within the meaning of the 1933 Act) of the Exchange Securities and shall have made such other representations as may be reasonably necessary under applicable SEC rules, regulations or interpretations to render the use of Form F-4 or other appropriate form under the 1933 Act available and (iv) that no action or proceeding shall have been instituted or threatened in any court or by or before any governmental agency with respect to the Exchange Offer or the Private Exchange which, in the Co-Issuers' judgment, would reasonably be expected to impair

the ability of the Co-Issuers to proceed with the Exchange Offer or the Private Exchange. If the Co-Issuers determine in their reasonable judgment that any of the foregoing conditions are not satisfied, the Co-Issuers may (a) refuse to accept any Registrable Securities and return all tendered Registrable Securities to the tendering Holders, (b) extend the Exchange Offer and retain all Registrable Securities tendered before the expiration of the Exchange Offer, subject, however, to the rights of holders to withdraw those Registrable Securities, or (c) waive the unsatisfied conditions with respect to the Exchange Offer or the Private Exchange and accept all properly tendered Registrable Securities that have not been withdrawn (unless to do so could reasonably be expected to materially and adversely affect one or more tendering Holders in its capacity as such); *provided* that the foregoing shall not limit the right of Holders to receive, or the obligation of the Co-Issuers to pay, Additional Interest as provided by Section 2.5. The Co-Issuers shall inform the Initial Purchasers of the names and addresses of the Holders to whom the Exchange Offer is made, and the Initial Purchasers shall have the right to contact such Holders and otherwise facilitate the tender of Registrable Securities in the Exchange Offer.

2.2. Shelf Registration. If, (i) because of any changes in law, SEC rules or regulations or applicable interpretations thereof by the staff of the SEC, the Co-Issuers are not permitted to file the Exchange Offer Registration Statement or to consummate the Exchange Offer as contemplated by Section 2.1 hereof, (ii) for any other reason the Exchange Offer Registration Statement is not declared effective on or prior to the 365th day after the Closing Date, or the Exchange Offer is not consummated on or prior to the 400th day after the Closing Date, (iii) upon the reasonable request of any of the Initial Purchasers that holds Securities or (iv) any Holder of Securities is not permitted to participate in the Exchange Offer or does not receive fully tradeable Exchange Securities pursuant to the Exchange Offer, then, in case of each of clauses (i) through (iv) (each event described in clauses (i) through (iv), a " Shelf Triggering Event"), the Co-Issuers and the Guarantors shall, at their cost:

(a) file with the SEC, and thereafter shall use their commercially reasonable efforts to cause to be declared effective under the 1933 Act, no later than the 365th day after the occurrence of a Shelf Triggering Event, a Shelf Registration Statement relating to the offer and sale of the Registrable Securities by the Holders from time to time in accordance with the methods of distribution elected by the Majority Holders participating in the Shelf Registration and set forth in such Shelf Registration Statement.

(b) use their commercially reasonable efforts to keep the Shelf Registration Statement continuously effective in order to permit the Prospectus forming part thereof to be usable by Holders for a period of one year from the date the Shelf Registration Statement is declared effective by the SEC, or for such shorter period that will terminate when all Registrable Securities covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement or cease to be outstanding or otherwise to be Registrable Securities (the " Effectiveness Period"); *provided, however*, that the Effectiveness Period in respect of the Shelf Registration Statement shall be extended to the extent required to permit dealers to comply with the applicable prospectus delivery requirements of Rule 174 under the 1933 Act and as otherwise provided herein. Notwithstanding anything to the contrary in this Agreement, at any time, the Co-Issuers and the Guarantors may delay the filing of the Shelf Registration Statement or delay or suspend

the effectiveness thereof, for a reasonable period of time, but not in excess of 90 consecutive days nor more than three (3) times during any twelve-month period (each, a "Shelf Suspension Period"), if (x) the Company's board of directors determines reasonably and in good faith that because of valid business reasons (not including avoidance of the Co-Issuers' and the Guarantors' obligations hereunder), including without limitation proposed or pending corporate developments and similar events or because of filings with the SEC, it is in the best interests of the Co-Issuers or the Guarantors to delay such filing or suspend such effectiveness and (y) the Co-Issuers provide prior written notice of such suspension to the Holders (which notice shall not be required to specify the nature of the event giving rise to the suspension).

(c) notwithstanding any other provisions hereof, use their commercially reasonable efforts to ensure that (i) any Shelf Registration Statement and any amendment thereto and any Prospectus forming part thereof and any supplement thereto complies in all material respects with the 1933 Act and the rules and regulations thereunder, (ii) any Shelf Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any Prospectus forming part of any Shelf Registration Statement, and any supplement to such Prospectus (as amended or supplemented from time to time), does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements, in light of the circumstances under which they were made, not misleading.

The Co-Issuers and the Guarantors shall not permit any securities other than Registrable Securities (and any Additional Notes issued under (and as defined in) the Indenture) to be included in the Shelf Registration Statement. The Co-Issuers and the Guarantors further agree, if necessary, to supplement or amend the Shelf Registration Statement, as required by Section 3(b) below, and to furnish to the Holders of Registrable Securities copies of any such supplement or amendment promptly after its being used or filed with the SEC.

2.3. Expenses. The Co-Issuers and the Guarantors shall pay all Registration Expenses in connection with the registration pursuant to Section 2.1 or 2.2. Each Holder shall pay all underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of such Holder's Registrable Securities pursuant to the Shelf Registration Statement.

2.4. Effectiveness.

(a) For purposes of Section 5.7, subject to the right of the Co-Issuers to effect a Shelf Suspension Period as set forth in Section 2.2, the Co-Issuers and the Guarantors will be deemed not have used their commercially reasonable efforts to cause the Exchange Offer Registration Statement or the Shelf Registration Statement, as the case may be, to become, or to remain, effective during the requisite period if the Co-Issuers or any Guarantor voluntarily takes any action that would, or omits to take any commercially practicable action which omission would, result in any such Registration Statement not being declared effective or in the Holders of Registrable Securities covered thereby not being able to exchange or offer and sell such Registrable

Securities during that period as and to the extent contemplated hereby, unless such action is required by applicable law.

(b) An Exchange Offer Registration Statement pursuant to Section 2.1 hereof or a Shelf Registration Statement pursuant to Section 2.2 hereof will not be deemed to have become effective unless it has been declared effective by the SEC; *provided, however*, that if, after it has been declared effective, the offering of Registrable Securities pursuant to an Exchange Offer Registration Statement or a Shelf Registration Statement is interfered with by any stop order, injunction or other order or requirement of the SEC or any other governmental agency or court, such Registration Statement will be deemed not to have become effective during the period of such interference, until the offering of Registrable Securities pursuant to such Registration Statement may legally resume.

2.5. Additional Interest. In the event that (a) the Exchange Offer Registration Statement is not filed with the SEC on or prior to the 270th day after the Closing Date, (b) the Exchange Offer Registration Statement has not been declared effective on or prior to the 365th day after the Closing Date, (c) the Exchange Offer is not consummated on or prior to the 400th day after the Closing Date, or (d) the Co-Issuers are required by Section 2.2 to file a Shelf Registration Statement, and the Shelf Registration Statement, if required, is not declared effective on or prior to the 365th day following a Shelf Triggering Event (each such event referred to in clauses (a) through (d) above, a " Registration Default"), the interest rate borne by the Securities shall be increased ("Additional Interest") by 0.25% per annum upon the occurrence of each Registration Default, which rate will increase by an additional 0.25% per annum for each subsequent 90-day period that such Additional Interest continues to accrue under any such circumstance, provided that the maximum aggregate increase in the interest rate will in no event exceed 1.00% per annum in each case until the earlier of the date all Registration Defaults are cured, at which time the accrual of Additional Interest will cease and the interest rate will revert to the original rate. Notwithstanding the foregoing, a Holder of Registrable Securities who participated or could have participated in a consummated Exchange Offer shall not, subsequent to the consummation of such Exchange Offer in accordance with the terms of this Agreement, be entitled to Additional Interest with respect to any failure with respect to a Shelf Registration Statement. Following the cure of all Registration Defaults, the accrual of Additional Interest with respect to Registration Defaults will cease.

If the Shelf Registration Statement is unusable by the Holders for any reason, and the aggregate number of days in any consecutive twelve-month period for which the Shelf Registration Statement shall not be usable exceeds 45 days in the aggregate (other than as part of a permitted Shelf Suspension Period), then the interest rate borne by the Securities will be increased by 0.25% per annum of the principal amount of the Securities for the first 90-day period (or portion thereof) beginning on the 45th such date that such Shelf Registration Statement ceases to be usable in such twelve-month period (other than as part of a permitted Shelf Suspension Period), which rate shall be increased by an additional 0.25% per annum of the principal amount of the Securities at the beginning of each subsequent 90-day period, provided that the maximum aggregate increase in the interest rate will in no event exceed 1.00% per annum. Any amounts payable under this paragraph shall also be deemed "Additional Interest" for purposes of this Agreement. Upon the Shelf Registration Statement once again becoming usable, the accrual of

Additional Interest will cease and the interest rate borne by the Notes will be reduced to the original interest rate if the Co-Issuers are otherwise in compliance with this Agreement at such time. Additional Interest shall be computed based on the actual number of days elapsed in each 90-day period in which the Shelf Registration Statement is unusable.

Additional Interest shall not accrue or be payable for more than one outstanding Registration Default pursuant to the two preceding paragraphs at any given time.

The Co-Issuers shall notify the Trustee within three Business Days after each and every date on which an event occurs in respect of which Additional Interest would be required to be paid, notwithstanding the application of the immediately preceding sentence (an " Event Date"). Additional Interest shall be paid by depositing with the Trustee, in trust, for the benefit of the Holders of Registrable Securities, on or before the applicable semiannual interest payment date, immediately available funds in sums sufficient to pay the Additional Interest then due. The Additional Interest due shall be payable on each interest payment date to the record Holder of Registrable Securities entitled to receive the interest payment to be paid on such date as set forth in the Indenture. Each obligation to pay Additional Interest shall be deemed to accrue from and including the day following the applicable Event Date.

3. Registration Procedures.

In connection with the obligations of the Co-Issuers and the Guarantors with respect to Registration Statements pursuant to Sections 2.1 and 2.2 hereof, the Co-Issuers and the Guarantors shall:

(a) prepare and file with the SEC a Registration Statement, within the relevant time period specified in Section 2, on the appropriate form under the 1933 Act, which form (i) shall be selected by the Co-Issuers, (ii) shall, in the case of a Shelf Registration, be available for the sale of the Registrable Securities by the selling Holders thereof, (iii) shall comply as to form in all material respects with the requirements of the applicable form and include or incorporate by reference all financial statements required by the SEC to be filed therewith or incorporated by reference therein, and (iv) shall comply in all respects with the requirements of Regulation S-T under the 1933 Act, and use their commercially reasonable efforts to cause such Registration Statement to become effective and remain effective in accordance with Section 2 hereof;

(b) prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary under applicable law to keep such Registration Statement effective for the applicable period in accordance with Section 2 hereof; and cause each Prospectus to be supplemented by any required prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provision then in force) under the 1933 Act and comply with the provisions of the 1933 Act, the 1934 Act and the rules and regulations thereunder applicable to them with respect to the disposition of all securities covered by each Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the selling Holders thereof (including sales by any Participating Broker-Dealer);

(c) in the case of a Shelf Registration, (i) notify each Holder of Registrable Securities for which the Co-Issuers have information, at least five Business Days prior to filing, that a Shelf Registration Statement with respect to the Registrable Securities is being filed and advising such Holders that the distribution of Registrable Securities will be made in accordance with the method selected by the Majority Holders participating in the Shelf Registration; (ii) furnish to each Holder of Registrable Securities and to each underwriter of an underwritten offering of Registrable Securities, if any, without charge, as many copies of each Prospectus, including each preliminary Prospectus, and any amendment or supplement thereto and such other documents as such Holder or underwriter may reasonably request, including financial statements and schedules and, if the Holder so requests, all exhibits in order to facilitate the public sale or other disposition of the Registrable Securities (for the avoidance of doubt, any such supplement or amendment electronically filed with the SEC on the EDGAR system shall be deemed furnished to the Holders of Registrable Securities); and (iii) hereby consent to the use of the Prospectus or any amendment or supplement thereto by each of the selling Holders of Registrable Securities in accordance with applicable law in connection with the offering and sale of the Registrable Securities covered by the Prospectus or any amendment or supplement thereto;

(d) use their commercially reasonable efforts to register or qualify the Registrable Securities under all applicable state securities or "blue sky" laws of such jurisdictions as any Holder of Registrable Securities covered by a Registration Statement and each underwriter of an underwritten offering of Registrable Securities shall reasonably request by the time the applicable Registration Statement is declared effective by the SEC, and do any and all other acts and things which may be reasonably necessary or advisable to enable each such Holder and underwriter to consummate the disposition in each such jurisdiction of such Registrable Securities owned by such Holder; *provided, however*, that neither the Co-Issuers nor any Guarantor shall be required to (i) qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it is not then so qualified or would not otherwise be required to qualify but for this Section 3(d), or (ii) take any action which would subject it to general service of process or taxation in any such jurisdiction where it is not then so subject;

(e) notify promptly each Holder of Registrable Securities under a Shelf Registration for which the Co-Issuers have information, or any Participating Broker-Dealer who has notified the Co-Issuers that it is utilizing the Exchange Offer Registration Statement as provided in paragraph (f) below, and, if requested by such Holder or Participating Broker-Dealer, confirm such advice in writing promptly (i) when a Registration Statement has become effective and when any post-effective amendments and supplements thereto become effective, (ii) of any request by the SEC or any state securities authority for post-effective amendments and supplements to a Registration Statement and Prospectus or for additional information after the Registration Statement has become effective, (iii) of the issuance by the SEC or any state securities authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (iv) in the case of a Shelf Registration, if, between the effective date of a Registration Statement and the closing of any sale of Registrable Securities covered thereby, the representations and warranties of the Co-Issuers and the Guarantors

contained in any underwriting agreement, securities sales agreement or other similar agreement, if any, relating to the offering cease to be true and correct in all material respects (or, in the case of any representation or warranty that by its terms is qualified by reference to materiality, a material adverse effect or any term or concept of similar import, such representation or warranty ceases to be true in all respects), (v) of the happening of any event or the discovery of any facts during the period a Shelf Registration Statement is effective which makes any statement made in such Registration Statement or the related Prospectus untrue in any material respect or which requires the making of any changes in such Registration Statement or Prospectus in order to make the statements therein not misleading, (vi) of the receipt by the Co-Issuers of any notification with respect to the suspension of the qualification of the Registrable Securities or the Exchange Securities, as the case may be, for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose and (vii) of any determination by the Co-Issuers that a post-effective amendment to such Registration Statement would be appropriate;

(f) (A) in the case of the Exchange Offer Registration Statement (i) include in the Exchange Offer Registration Statement a section entitled "Plan of Distribution" which section shall be reasonably acceptable to the Representative on behalf of the Participating Broker-Dealers, and which shall contain a summary statement of the positions taken or policies made by the staff of the SEC with respect to the potential "underwriter" status of any broker-dealer that holds Registrable Securities acquired for its own account as a result of market-making activities or other trading activities and that will be the beneficial owner (as defined in Rule 13d-3 under the 1934 Act) of Exchange Securities to be received by such broker-dealer in the Exchange Offer, whether such positions or policies have been publicly disseminated by the staff of the SEC or such positions or policies, in the reasonable judgment of the Representative on behalf of the Participating Broker-Dealers and their counsel, represent the prevailing views of the staff of the SEC, including a statement that any such broker-dealer who receives Exchange Securities for Registrable Securities pursuant to the Exchange Offer may be deemed a statutory underwriter and must deliver a prospectus meeting the requirements of the 1933 Act in connection with any resale of such Exchange Securities, (ii) furnish to each Participating Broker-Dealer who has delivered to the Co-Issuers the notice referred to in Section 3(e), without charge, as many copies of each Prospectus included in the Exchange Offer Registration Statement, including any preliminary prospectus, and any amendment or supplement thereto, as such Participating Broker-Dealer may reasonably request, (iii) hereby consent to the use of the Prospectus forming part of the Exchange Offer Registration Statement or any amendment or supplement thereto, by any Person subject to the prospectus delivery requirements of the SEC, including all Participating Broker-Dealers, in connection with the sale or transfer of the Exchange Securities covered by the Prospectus or any amendment or supplement thereto, and (iv) include in the Prospectus forming part of the Exchange Offer Registration Statement (and in any transmittal letter or similar document to be executed by an exchange offeree in order to participate in the Exchange Offer): (x) the following provision:

"If the exchange offeree is a broker-dealer holding Registrable Securities acquired for its own account as a result of market-making activities or

other trading activities, it will deliver a prospectus meeting the requirements of the Securities Act of 1933, as amended, in connection with any resale of Exchange Securities received in respect of such Registrable Securities pursuant to the Exchange Offer"; and

(y) a statement to the effect that by a broker-dealer making the acknowledgment described in clause (x) and by delivering a Prospectus in connection with the exchange of Registrable Securities, the broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the 1933 Act;

(B) to the extent any Participating Broker-Dealer participates in the Exchange Offer, the Co-Issuers and the Guarantors (to the extent customary for such a transaction) shall use their reasonable best efforts to cause to be delivered at the request of an entity representing the Participating Broker-Dealers (which entity shall be one of the Initial Purchasers, unless it elects not to act as such representative) only one, if any, "cold comfort" letter with respect to the Prospectus in the form existing on the last date for which exchanges are accepted pursuant to the Exchange Offer and with respect to each subsequent amendment or supplement, if any, effected during the period specified in clause (C) below; and

(C) to the extent any Participating Broker-Dealer participates in the Exchange Offer, the Co-Issuers and the Guarantors shall use their best efforts to maintain the effectiveness of the Exchange Offer Registration Statement for a period of 180 days following the closing of the Exchange Offer;

(g) (i) in the case of an Exchange Offer, furnish counsel for the Initial Purchasers and (ii) in the case of a Shelf Registration, furnish counsel for the Holders of Registrable Securities copies of any comment letters received from the SEC or any other request by the SEC or any state securities authority for amendments or supplements to a Registration Statement and Prospectus or for additional information;

(h) make commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement at the earliest possible moment;

(i) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities, and each underwriter, if any, without charge, at least one conformed copy (or one electronically reproducible conformed copy) of each Registration Statement and any post-effective amendment thereto, including financial statements and schedules (without documents incorporated therein by reference and all exhibits thereto, unless requested);

(j) in the case of a Shelf Registration, cooperate with the selling Holders of Registrable Securities to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends; and enable such Registrable Securities to be in such denominations (consistent with the provisions of the Indenture) and registered in such names as the selling Holders or the

underwriters, if any, may reasonably request at least three Business Days prior to the closing of any sale of Registrable Securities;

(k) in the case of a Shelf Registration, upon the occurrence of any event or the discovery of any facts, each as contemplated by Sections 3(e)(v) and 3(e)(vi) hereof, as promptly as practicable after the occurrence of such an event, use their commercially reasonable efforts to prepare a supplement or post-effective amendment to the Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities or Participating Broker-Dealers, such Prospectus will not contain at the time of such delivery any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or will remain so qualified. At such time as such public disclosure is otherwise made or the Co-Issuers determine that such disclosure is not necessary, in each case to correct any misstatement of a material fact or to include any omitted material fact, the Co-Issuers agree as promptly as practicable to notify each Holder of such determination and to furnish each Holder such number of copies of the Prospectus as amended or supplemented, as such Holder may reasonably request;

(l) in the case of a Shelf Registration, a reasonable time prior to the filing of any Registration Statement, any Prospectus, any amendment to a Registration Statement or amendment or supplement to a Prospectus, provide copies of such document to the Initial Purchasers on behalf of such Holders (without documents incorporated therein by reference or exhibits thereto, unless so requested by any Initial Purchaser); and make representatives of the Co-Issuers as shall be reasonably requested by the Holders of Registrable Securities, or the Initial Purchasers on behalf of such Holders, available for discussion of such document;

(m) obtain a CUSIP number for all Exchange Securities, Private Exchange Securities or Registrable Securities, as the case may be, not later than the effective date of a Registration Statement, and provide the Trustee with printed certificates for the Exchange Securities, Private Exchange Securities or the Registrable Securities, as the case may be, in a form eligible for deposit with the Depositary;

(n) (i) cause the Indenture to be qualified under the TIA in connection with the registration of the Exchange Securities or Registrable Securities, as the case may be, (ii) cooperate with the Trustee and the Holders to effect such changes to the Indenture as may be required for the Indenture to be so qualified in accordance with the terms of the TIA and (iii) execute, and use their commercially reasonable efforts to cause the Trustee to execute, all documents as may be required to effect such changes, and all other forms and documents required to be filed with the SEC to enable the Indenture to be so qualified in a timely manner, but only to the extent that registration of the Securities, Exchange Securities or Private Exchange Securities is required pursuant to the terms of this Agreement;

(o) in the case of a Shelf Registration, enter into underwriting agreements and take all other customary and appropriate actions in order to expedite or facilitate the disposition of such Registrable Securities and in such connection therewith:

(i) to the extent practicable, make such representations and warranties to the Holders of such Registrable Securities and the underwriters, if any, in form, substance and scope as are customarily made by issuers and guarantors to Holders or underwriters, as the case may be, in similar underwritten offerings as may be reasonably requested by them;

(ii) if requested by any Holder or Holders of Securities being sold, obtain opinions of counsel to the Co-Issuers and the Guarantors and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the managing underwriters, if any, and the holders of a majority in principal amount of the Registrable Securities being sold) addressed to each selling Holder (to the extent customary) and the underwriters, if any, covering the matters customarily covered in opinions requested in sales of securities or underwritten offerings and such other matters as may be reasonably requested by such Holders and underwriters;

(iii) in the case of an underwritten offering, obtain "cold comfort" letters and updates thereof from the Co-Issuers' independent certified public accountants (and, if necessary, any other independent certified public accountants of any subsidiary of either of the Co-Issuers or of any business acquired by either of the Co-Issuers for which financial statements are, or are required to be, included in the Registration Statement) addressed to the underwriters, if any, and use reasonable efforts to have such letter addressed to the selling Holders of Registrable Securities (to the extent consistent with Statement on Auditing Standards No. 72 of the American Institute of Certified Public Accountants), such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters to underwriters in connection with similar underwritten offerings;

(iv) enter into a securities sales agreement with the Holders and an agent of the Holders providing for, among other things, the appointment of such agent for the selling Holders for the purpose of soliciting purchases of Registrable Securities, which agreement shall be in form, substance and scope customary for similar offerings;

(v) if an underwriting agreement is entered into, cause the same to set forth indemnification provisions and procedures substantially equivalent to the indemnification provisions and procedures set forth in Section 4 hereof with respect to the underwriters and all other parties to be indemnified pursuant to said Section or, at the request of any underwriters, in the form customarily provided to such underwriters in similar types of transactions; and

(vi) deliver such documents and certificates as may be reasonably requested and as are customarily delivered in similar offerings to the Holders of a majority in principal amount of the Registrable Securities being sold and the managing underwriters, if any.

The above shall be done at (i) the effectiveness of such Shelf Registration Statement (and each post-effective amendment thereto) and (ii) each closing under any underwriting agreement as and to the extent required thereunder;

(p) in the case of a Shelf Registration or if a Prospectus is required to be delivered by any Participating Broker-Dealer in the case of an Exchange Offer, make available for inspection by representatives of the Holders of the Registrable Securities, any lead managing underwriters participating in any disposition pursuant to a Shelf Registration Statement, any Participating Broker-Dealer and any counsel or accountant retained by any of the foregoing, at reasonable times and in a reasonable manner, all financial and other records, pertinent corporate documents and properties of the Co-Issuers and the Guarantors reasonably requested by any such persons, and cause the respective officers, directors, employees, and any other agents of the Co-Issuers and the Guarantors to supply all information reasonably requested by any such representative, underwriter, special counsel or accountant in connection with a Registration Statement, and make such representatives of the Co-Issuers and the Guarantors available for discussion of such documents as shall be reasonably requested by the Initial Purchasers or any underwriter; *provided* that if any such information is reasonably identified by the Co-Issuers and the Guarantors as being confidential or proprietary, each person receiving such information shall take such actions as are reasonably necessary to protect the confidentiality of such information to the extent such action is otherwise not inconsistent with, an impairment of or a derogation of the rights, interests or duties of any underwriter;

(q) (i) in the case of an Exchange Offer Registration Statement, a reasonable time prior to the filing of any Exchange Offer Registration Statement, any Prospectus forming a part thereof, any amendment to an Exchange Offer Registration Statement or amendment or supplement to such Prospectus, provide copies of such document to the Initial Purchasers and to counsel to the Holders of Registrable Securities and make such changes in any such document prior to the filing thereof as the Initial Purchasers or counsel to the Holders of Registrable Securities may reasonably request in a timely manner under the circumstances and, except as otherwise required by applicable law, not file any such document in a form to which the Initial Purchasers on behalf of the Holders of Registrable Securities and counsel to the Holders of Registrable Securities shall not have previously been advised and furnished a copy of or to which the Initial Purchasers on behalf of the Holders of Registrable Securities or counsel to the Holders of Registrable Securities shall reasonably object within three Business Days of receipt of the applicable document, and make the representatives of the Co-Issuers and the Guarantors available for discussion of such documents as shall be reasonably requested by the Initial Purchasers; and

(ii) in the case of a Shelf Registration, a reasonable time prior to filing any Shelf Registration Statement, any Prospectus forming a part thereof, any amendment to such Shelf Registration Statement or amendment or supplement to such Prospectus, provide copies of such document to the Holders of Registrable Securities, to the Initial Purchasers, to counsel for the Holders and to the underwriter or underwriters of an underwritten offering of Registrable Securities, if any, make such changes in any such document prior to the filing thereof as the Initial Purchasers, the counsel to the Holders or the underwriter or underwriters reasonably request and, except as otherwise required by applicable law, not file any such document in a form to which the Majority Holders, the Initial Purchasers on behalf of the Holders of Registrable Securities, counsel for the Holders of Registrable Securities or any underwriter shall not have previously been advised and furnished a copy of or to which the Majority Holders, the Initial Purchasers of behalf of the Holders of Registrable Securities, counsel to the Holders of Registrable Securities or any underwriter shall reasonably object within three Business Days of receipt of the applicable document, and make the representatives of the Co-Issuers and the Guarantors available for discussion of such document as shall be reasonably requested by the Holders of Registrable Securities, the Initial Purchasers on behalf of such Holders, counsel for the Holders of Registrable Securities or any underwriter.

(r) in the case of a Shelf Registration, use its commercially reasonable efforts to cause all Registrable Securities to be listed on any securities exchange on which similar debt securities issued by the Co-Issuers or any Guarantor are then listed if requested by the Majority Holders, or if requested by the underwriter or underwriters of an underwritten offering of Registrable Securities, if any;

(s) in the case of a Shelf Registration, use their commercially reasonable efforts to cause the Registrable Securities to be rated by the appropriate rating agencies, if so requested by the Majority Holders, or if requested by the underwriter or underwriters of an underwritten offering of Registrable Securities, if any;

(t) upon consummation of an Exchange Offer or a Shelf Registration, otherwise comply with all applicable rules and regulations of the SEC and make available to its security holders, as soon as reasonably practicable, an earnings statement covering at least 12 months which shall satisfy the provisions of Section 11(a) of the 1933 Act and Rule 158 thereunder;

(u) reasonably cooperate and assist in any filings required to be made with FINRA and, in the case of a Shelf Registration, in the performance of any due diligence investigation by any underwriter and its counsel (including any "qualified independent underwriter" that is required to be retained in accordance with the rules and regulations of FINRA); and

(v) upon consummation of an Exchange Offer or a Private Exchange, obtain a customary opinion of counsel to the Co-Issuers and the Guarantors addressed to the Trustee as so may be required under the Indenture.

In the case of a Shelf Registration Statement, the Co-Issuers may (as a condition to such Holder's participation in the Shelf Registration) require each Holder of Registrable Securities to furnish to the Co-Issuers such information regarding the Holder (including, without limitation, a customary selling holder questionnaire) and the proposed distribution by such Holder of such Registrable Securities as the Co-Issuers may from time to time reasonably request in writing.

In the case of a Shelf Registration Statement, each Holder agrees that, upon receipt of any notice from the Co-Issuers of the happening of any event or the discovery of any facts, each of the kind described in Section 3(e)(v) hereof, such Holder will forthwith discontinue disposition of Registrable Securities pursuant to a Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 3(k) hereof, and, if so directed by the Co-Issuers, such Holder will deliver to the Co-Issuers (at their expense) all copies in such Holder's possession, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice.

In the event that the Co-Issuers and the Guarantors fail to effect the Exchange Offer or file any Shelf Registration Statement and maintain the effectiveness of any Shelf Registration Statement as provided herein, neither the Co-Issuers nor any Guarantor shall file any Registration Statement with respect to any securities (within the meaning of Section 2(1) of the 1933 Act) of the Co-Issuers or any Guarantor, other than Registrable Securities.

If any of the Registrable Securities covered by any Shelf Registration Statement are to be sold in an underwritten offering, the underwriter or underwriters and manager or managers that will manage such offering will be selected by the Majority Holders of such Registrable Securities included in such offering and shall be acceptable to the Co-Issuers. No Holder of Registrable Securities may participate in any underwritten registration hereunder unless such Holder (a) agrees to sell such Holder's Registrable Securities on the basis provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements.

4. Indemnification; Contribution.

(a) The Co-Issuers and the Guarantors agree jointly and severally to indemnify and hold harmless the Initial Purchasers, each Holder, each Participating Broker-Dealer, each Person who participates as an underwriter (any such Person being an " Underwriter") and each Person, if any, who controls any Holder or Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement (or any amendment or supplement thereto) pursuant to which Exchange Securities or Registrable Securities were registered under the 1933 Act, including all documents incorporated therein by reference, or the omission

or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading, or arising out of any untrue statement or alleged untrue statement of a material fact contained in any Prospectus (or any amendment or supplement thereto) or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; *provided* that (subject to Section 4(d) below) any such settlement is effected with the written consent of the Co-Issuers; and

(iii) against any and all expense whatsoever, as incurred (including the reasonable fees and disbursements of counsel chosen by any indemnified party and, including, without limitation, any stamp taxes in Argentina), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under subparagraph (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Co-Issuers by the Holder or Underwriter expressly for use in a Registration Statement (or any amendment thereto) or any Prospectus (or any amendment or supplement thereto).

(b) Each Holder severally, but not jointly, agrees to indemnify and hold harmless the Co-Issuers, the Guarantors, the Initial Purchasers, each Underwriter and the other selling Holders, and each of their respective directors and officers, and each Person, if any, who controls the Co-Issuers, a Guarantor, the Initial Purchasers, any Underwriter or any other selling Holder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, against any and all loss, liability, claim, damage and expense described in the indemnity contained in Section 4(a) hereof, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Shelf Registration Statement (or any amendment thereto) or any Prospectus included therein (or any amendment or supplement thereto) in reliance upon and in conformity with written information with respect to such Holder furnished to the Co-Issuers by such Holder expressly for use in the Shelf Registration Statement (or any amendment thereto) or such Prospectus (or any amendment or supplement thereto); *provided, however*, that no such Holder shall be liable for any claims hereunder in excess of the amount of net proceeds received by such Holder from the sale of Registrable Securities pursuant to such Shelf Registration Statement.

(c) Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action or proceeding commenced against it in respect of which indemnity may be sought hereunder, but failure so to notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. An indemnifying party may participate at its own expense in the defense of such action; *provided, however*, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying party or parties be liable for the reasonable fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 4 (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for reasonable fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 4(a)(ii) effected without its written consent if (i) such settlement is entered into more than 60 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 45 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

(e) If the indemnification provided for in this Section 4 is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, in such proportion as is appropriate to reflect the relative fault of the Co-Issuers and the Guarantors on the one hand and the Holders and the Initial Purchasers on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative fault of the Co-Issuers and the Guarantors on the one hand and the Holders and the Initial Purchasers on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Co-Issuers

and/or the Guarantors, the Holders or the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Co-Issuers, the Guarantors, the Holders and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section 4 were determined by pro rata allocation (even if the Holders and/or Initial Purchasers were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 4. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 4 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 4, no Initial Purchaser shall be required to contribute any amount in excess of the amount by which the total discount received by it in connection with its purchase of the Securities exceeds the amount of any damages which such Initial Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 4, each Person, if any, who controls an Initial Purchaser or Holder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such Initial Purchaser or Holder, and each director of the Co-Issuers or any Guarantor, and each Person, if any, who controls the Co-Issuers or any Guarantor within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Co-Issuers or such Guarantor, as applicable. The Initial Purchasers' respective obligations to contribute pursuant to this Section 4 are several in proportion to the principal amount of Securities set forth opposite their respective names in Schedule A to the Purchase Agreement and not joint.

5. Miscellaneous.

5.1. Rule 144A. The Co-Issuers covenant that they will, upon the request of any Holder of Registrable Securities: (a) deliver such information to a prospective purchaser as is necessary to permit sales pursuant to Rule 144A under the 1933 Act, and (b) take such further action that is reasonable in the circumstances, in each case, to the extent required from time to time to enable such Holder to sell its Registrable Securities without registration under the 1933 Act within the limitation of the exemptions provided by (i) Rule 144A under the 1933 Act, as such Rule may be amended from time to time, or (ii) any similar rules or regulations hereafter adopted by the SEC. Upon the request of any Holder of Registrable Securities, the Co-Issuers

will deliver to such Holder a written statement as to whether it has complied with such requirements.

5.2. No Inconsistent Agreements. Neither of the Co-Issuers nor any Guarantor has entered into, and neither of the Co-Issuers nor any Guarantor will after the date of this Agreement enter into, any agreement which is inconsistent with the rights granted to the Holders of Registrable Securities in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not and will not for the term of this Agreement in any way conflict with the rights granted to the holders of the Co-Issuers' or any Guarantor's other issued and outstanding securities under any such agreements.

5.3. Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless the Co-Issuers have obtained the written consent of Holders of at least a majority in aggregate principal amount of the outstanding Registrable Securities affected by such amendment, modification, supplement, waiver or departure.

5.4. Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, registered first-class mail, telex, telecopier, or any courier guaranteeing overnight delivery (a) if to a Holder, at the most current address given by such Holder to the Co-Issuers by means of a notice given in accordance with the provisions of this Section 5.4, which address initially is the address set forth in the Purchase Agreement with respect to the Initial Purchasers; and (b) if to the Co-Issuers or any Guarantor, initially at the Co-Issuers' address set forth in the Purchase Agreement, and thereafter at such other address of which notice is given in accordance with the provisions of this Section 5.4.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; two Business Days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt is acknowledged, if telecopied; and on the next Business Day if timely delivered to an air courier guaranteeing overnight delivery.

Copies of all such notices, demands, or other communications shall be concurrently delivered by the person giving the same to the Trustee under the Indenture, at the address specified in such Indenture.

5.5. Successor and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors, assigns and transferees of each of the parties, including, without limitation and without the need for an express assignment, subsequent Holders; *provided* that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Registrable Securities in violation of the terms of the Purchase Agreement or the Indenture. If any transferee of any Holder shall acquire Registrable Securities, in any manner, whether by operation of law or otherwise, such Registrable Securities shall be held subject to all of the terms of this Agreement, and by taking and holding such Registrable Securities such person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of

this Agreement, including the restrictions on resale set forth in this Agreement and, if applicable, the Purchase Agreement, and such person shall be entitled to receive the benefits hereof.

5.6. Third Party Beneficiaries. The Initial Purchasers (even if the Initial Purchasers are not Holders of Registrable Securities) shall be third party beneficiaries to the agreements made hereunder between the Co-Issuers and the Guarantors, on the one hand, and the Holders, on the other hand, and shall have the right to enforce such agreements directly to the extent they deem such enforcement necessary or advisable to protect their rights or the rights of Holders hereunder. Each Holder of Registrable Securities shall be a third party beneficiary to the agreements made hereunder between the Co-Issuers and the Guarantors, on the one hand, and the Initial Purchasers, on the other hand, and shall have the right to enforce such agreements directly to the extent it deems such enforcement necessary or advisable to protect its rights hereunder.

5.7. Specific Enforcement. Without limiting the remedies available to the Initial Purchasers and the Holders, the Co-Issuers acknowledge that any failure by the Co-Issuers to comply with their obligations under Sections 2.1 through 2.4 hereof may result in material irreparable injury to the Initial Purchasers or the Holders for which there is no adequate remedy at law, that it would not be possible to measure damages for such injuries precisely and that, in the event of any such failure, the Initial Purchasers or any Holder may obtain such relief as may be required to specifically enforce the Co-Issuers' obligations under Sections 2.1 through 2.4 hereof.

5.8. Restriction on Resales. Until the expiration of one year after the original issuance of the Notes and the Guarantees, the Co-Issuers and the Guarantor will not, and will cause their "affiliates" (as such term is defined in Rule 144(a)(1) under the 1933 Act) not to, resell any Securities that are "restricted securities" (as such term is defined under Rule 144(a)(3) under the 1933 Act) that have been reacquired by any of them and shall immediately upon any purchase of any such Securities submit such Securities to the Trustee for cancellation.

5.9. Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

5.10. Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

5.11. **GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO THE PRINCIPLES OF CONFLICT OF LAWS THEREOF.**

5.12. Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable,

the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

5.13. [Reserved].

5.14. Consent to Jurisdiction. Each of the Co-Issuers and each of the Guarantors irrevocably consents and agrees that any legal action, suit or proceeding brought against it with respect to its obligations, liabilities or any other matter arising out of or in connection with this Agreement or the transactions contemplated hereby may be brought in the courts of the State of New York or the courts of the United States of America located in the County of New York and, until all amounts due and to become due hereunder, if any, have been paid, or until any such legal action, suit or proceeding commenced prior to such payment has been concluded, hereby irrevocably consents and irrevocably submits to the non-exclusive jurisdiction of each such court in person and, generally and unconditionally with respect to any action, suit or proceeding for themselves.

5.15. Appointment of Agent for Service of Process.

(a) The Co-Issuers and each Guarantor hereby irrevocably consent and agree to the service of any and all legal process, summons, notices and documents in any such action, suit or proceeding brought against them with respect to their obligations, liabilities or any other matter arising out of or in connection with this Agreement, by serving a copy thereof upon any employee of either Co-Issuer or any Guarantor (in such capacity, the " Co-Issuers' Process Agent") at any business location that either of the Co-Issuers or any Guarantor may maintain from time to time in the United States including, without limitation, at the offices of Navios Corporation located at 825 Third Avenue, 34th Floor, New York, New York 10022.

(b) If at any time neither the Co-Issuers nor any Guarantor maintains a *bona fide* business location in the State of New York, then the Co-Issuers and the Guarantors shall promptly (and in any event within 10 days) irrevocably designate, appoint and empower CT Corporation System, with offices currently at 111 Eighth Avenue, New York, New York 10011 (or such other third party corporate service provider of national standing as may be reasonably acceptable to the Representative), as their designee, appointee and agent to receive, accept and acknowledge for and on their behalf service of any and all legal process, summons, notices and documents that may be served in any action, suit or proceeding brought against them in any such United States or state court located in the County of New York with respect to their obligations, liabilities or any other matter arising out of or in connection with this Agreement and that may be made on such designee, appointee and agent in accordance with legal procedures prescribed for such courts (the " Third Party Process Agent"; each of the Co-Issuers' Process Agent and the Third Party Process Agent, a "Process Agent") and pay all fees and expenses required by the Third Party Process Agent in connection therewith. If for any reason such Third Party Process Agent hereunder shall cease to be available to act as such, each of the Co-Issuers and each of the Guarantors agrees to designate a new Third Party Process Agent in the County of New York on the terms and for the purposes of this Section 5.15 reasonably satisfactory to the Representative.

(c) Each of the Co-Issuers and each of the Guarantors further hereby irrevocably consents and agrees to the service of any and all legal process, summons, notices and documents in any such action, suit or proceeding against them arising out of or in connection with this Agreement by (i) serving a copy thereof upon any of the relevant Process Agents specified in clauses (a) and (b) above, or (ii) or by mailing copies thereof by registered or certified air mail, postage prepaid, to the Co-Issuers, at the address specified in or designated pursuant to this Agreement (including by reference pursuant to Section 5.4). Each of the Co-Issuers and each of the Guarantors agrees that the failure of any Process Agent, to give any notice of such service to it shall not impair or affect in any way the validity of such service or any judgment rendered in any action or proceeding based thereon.

(d) Nothing herein shall in any way be deemed to limit the ability of any Initial Purchaser (or Holder or other third party beneficiary hereunder) to serve any such legal process, summons, notices and documents in any other manner permitted by applicable law or to obtain jurisdiction over the Co-Issuers or the Guarantors or bring actions, suits or proceedings against them in such other jurisdictions, and in such manner, as may be permitted by applicable law.

(e) Each of the Co-Issuers and each of the Guarantors hereby irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any of the aforesaid actions, suits or proceedings arising out of or in connection with this Agreement brought in the United States federal courts located in the County of New York or the courts of the State of New York located in the County of New York and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(f) The provisions of this Section 5.15 shall survive any termination of this Agreement, in whole or in part.

5.16. Waiver of Immunities. To the extent that a Co-Issuer, a Guarantor or any of their respective properties, assets or revenues may have or may hereafter become entitled to, or have attributed to them, any right of immunity, on the grounds of sovereignty, from any legal action, suit or proceeding, from set-off or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, or from attachment in aid of execution of judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any jurisdiction in which proceedings may at any time be commenced, with respect to their obligations, liabilities or any other matter under or arising out of or in connection with this Agreement, each of the Co-Issuers and each of the Guarantors hereby irrevocably and unconditionally, to the extent permitted by applicable law, waives and agrees not to plead or claim any such immunity and consents to such relief and enforcement.

5.17. Foreign Taxes. All payments by the Co-Issuers or a Guarantor to each of the Initial Purchasers hereunder shall be made free and clear of, and without deduction or withholding for or on account of, any and all present and future income, stamp or other taxes, levies,

imposts, duties, charges, fees, deductions or withholdings, now or hereinafter imposed, levied, collected, withheld or assessed by any jurisdiction of formation of the Co-Issuers and the Guarantors or any other jurisdiction in which the Co-Issuers or a Guarantor has an office from which payment is made or deemed to be made, excluding (i) any such tax imposed by reason of such Initial Purchaser having some connection with any such jurisdiction other than its participation as Initial Purchaser hereunder, and (ii) any income or franchise tax on the overall net income of such Initial Purchaser imposed by the United States or by the State of New York or any political subdivision of the United States or of the State of New York (all such non-excluded taxes, " Foreign Taxes"). If either of the Co-Issuers or a Guarantor is prevented by operation of law or otherwise from paying, causing to be paid or remitting that portion of amounts payable hereunder represented by Foreign Taxes withheld or deducted, then amounts payable under this Agreement shall, to the extent permitted by law, be increased to such amount as is necessary to yield and remit to each Initial Purchaser an amount which, after deduction of all Foreign Taxes (including all Foreign Taxes payable on such increased payments) equals the amount that would have been payable if no Foreign Taxes applied. For avoidance of doubt, this Section 5.17 shall not apply to the repayment of Additional Interest under Section 2.5, which shall be governed by Section 4.20 of the Indenture.

5.18. Judgment Currency. Each of the Co-Issuers and each of the Guarantors agrees to indemnify the Initial Purchasers (or any third party beneficiary hereunder) against any loss incurred by any such person as a result of any judgment or order being given or made against the Co-Issuers or a Guarantor for any amount due hereunder and such judgment or order being expressed and paid in a currency (the " Judgment Currency") other than United States dollars and as a result of any variation as between (i) the rate of exchange at which the United States dollar amount is converted into the Judgment Currency for the purpose of such judgment or order, and (ii) the rate of exchange in The City of New York at which such party on the date of payment of such judgment or order is able to purchase United States dollars with the amount of the Judgment Currency actually received by such party if such party had utilized such amount of Judgment Currency to purchase United States dollars as promptly as practicable upon such party's receipt thereof. The foregoing indemnity shall constitute a separate and independent obligation of the Co-Issuers and the Guarantors and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of, or conversion into, the relevant currency.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

NAVIOS SOUTH AMERICAN LOGISTICS INC.

By: /s/ Angeliki Frangou
Name: Angeliki Frangou
Title: Chairman

NAVIOS LOGISTICS FINANCE (US) INC.

By: /s/ Vasiliki Papaefthymiou
Name: Vasiliki Papaefthymiou
Title: President/Secretary

CORPORACION NAVIOS S.A.
NAUTICLER S.A.
PONTE RIO SOCIEDAD ANONIMA
NAVARRA SHIPPING CORPORATION
PELAYO SHIPPING CORPORATION,
as Guarantors

By: /s/ George Achniotis
Name: George Achniotis
Title: Authorized Signatory COMPANIA NAVIERA HORAMAR S.A., as Guarantor

COMPANIA NAVIERA HORAMAR S.A.,
as Guarantor

By: /s/ Horacio E. Lopez
Name: Horacio E. Lopez
Title: Authorized Signatory

COMPANIA DE TRANSPORTE FLUVIAL
INTERNACIONAL S.A.
PETROVIA INTERNACIONAL S.A.,
as Guarantors

By: /s/ Mauro Caballero
Name: Mauro Caballero
Title: Authorized Signatory

MERCO PAR S.A.C.I.,
as Guarantor

By: /s/ Horacio E. Lopez
Name: Horacio E. Lopez
Title: Authorized Signatory

By: /s/ Eduardo Blanc
Name: Eduardo Blanc
Title: Authorized Signatory

NAVEGACION GUARANI S.A.,
as Guarantor

By: /s/ Carlos A. Lopez
Name: Carlos A. Lopez
Title: Authorized Signatory

By: /s/ Norma Aguilar
Name: Norma Aguilar
Title: Authorized Signatory

HIDROVIA OSR S.A.,
as Guarantor

By: /s/ Norma Aguilar
Name: Norma Aguilar
Title: Authorized Signatory

By: /s/ Marcos J. Peroni
Name: Marcos J. Peroni
Title: Authorized Signatory

MERCO FLUVIAL S.A.,
as Guarantor

By: /s/ Marcos J. Peroni
Name: Marcos J. Peroni
Title: Authorized Signatory

By: /s/ Quirino Fernandez
Name: Quirino Fernandez
Title: Authorized Signatory

PETROLERA SAN ANTONIO S.A.,
as Guarantor

By: /s/ Carlos A. Lopez
Name: Carlos A. Lopez
Title: Authorized Signatory

By: /s/ Eduardo Blanc
Name: Eduardo Blanc
Title: Authorized Signatory

STABILITY OCEANWAYS S.A.,
as Guarantor

By: /s/ Carmen Rodriguez
Name: Carmen Rodriguez
Title: Authorized Signatory

Confirmed and accepted as
of the date first above written:

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

For itself and as Representative of the other
Initial Purchasers named in Schedule B hereto.

By: /s/ Barry S. Price
Name: Barry S. Price
Title: Managing Director

Schedule A

Guarantors

Corporacion Navios S.A.
Nauticler S.A.
Compania Naviera Horamar S.A.
Compania de Transporte Fluvial Internacional S.A.
Ponte Rio SA
Petrovia Internacional S.A.
Merco Par S.A.C.I.
Navegacion Guarani S.A.
Hidrovia OSR S.A.
Merco-Fluvial S.A.
Petrolera San Antonio S.A.
Stability Oceanways S.A.
Navarra Shipping Corporation
Pelayo Shipping Corporation

Schedule B

Initial Purchasers

Merrill Lynch, Pierce, Fenner & Smith Incorporated

J.P. Morgan Securities LLC

Citigroup Global Markets Inc.

Credit Suisse Securities (USA) LLC

S. Goldman Advisors LLC

Exhibit 10.2

Dated 6 May 2011

MARFIN POPULAR BANK PUBLIC CO LTD
as Lender

-and-

NAVIOS SHIPMANAGEMENT INC.
as Borrower

-and-

NAVIOS MARITIME HOLDINGS INC.
and
ASTRA MARITIME CORPORATION
as Guarantors

Supplemental Agreement No. 2 relating to a Loan Agreement dated
23 October 2009 as amended in respect of a revolving credit facility of up to US$110,000,000
(originally)

TABLE OF CONTENTS

THIS SUPPLEMENTAL AGREEMENT is made this 6th day of May 2011.

BETWEEN

1 **MARFIN POPULAR BANK PUBLIC CO LTD** (successor by way of cross-border merger of Marfin Egnatia Bank Societe Anonyme) a company duly incorporated under the laws of the Republic of Cyprus, having its registered office at 154 Limassol Avenue, 2025 Nicosia, Cyprus (the "**Lender**") as lender;

2 **NAVIOS SHIPMANAGEMENT INC.**, a corporation duly formed and existing under the laws of the Republic of the Marshall Islands, having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro MH96960, Republic of the Marshall Islands (the "**Borrower**") as borrower; and

3 (a) **NAVIOS MARITIME HOLDINGS INC.**, a corporation duly formed and existing under the laws of the Republic of the Marshall Islands, having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro MH96960, Republic of the Marshall Islands (the "**Parent Guarantor**"); and

(b) **ASTRA MARITIME CORPORATION**, a corporation duly formed and existing under the laws of the Republic of the Marshall Islands, having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro MH96960, Republic of the Marshall Islands (the "**Astra Owner**" and together with the Parent Guarantor the "**Guarantors**") as joint and several guarantors.

WHEREAS

A. Pursuant to a loan agreement dated 23 October 2009 (hereinafter called as the same has been amended by a side letter (as hereinafter defined) and a supplemental agreement dated 28 January 2011 (the "**Supplemental Agreement No. 1**") the "**Original Loan Agreement**"), made between the Lender as lender and the Borrower as borrower, the Lender agreed to make available to the Borrower a revolving credit facility of (originally) One hundred Ten million Dollars ($110,000,000) (the "**Loan**") upon the terms and conditions set forth therein.

B. Pursuant to a side letter dated 7 September 2010 (the "**Side Letter**") made by and among the Borrower, the Parent Guarantor and Customized Development S.A. of the Republic of Liberia (the "**Existing Owner**") and the Lender, the Applicable Limit has been reduced to Thirty million Dollars ($30,000,000).

C. Following a request of the Borrower and the Existing Owner, the Lender and the Existing Owner entered into a deed of release dated 1 October 2010 pursuant to which the

Lender has released the Existing Owner from its obligations under the guarantee and indemnity dated 23 October 2009 (the "**Existing Owner's Guarantee**") made between the Existing Owner and the Lender and the other Finance Documents to which the Existing Owner was a party and has released and reassigned (where appropriate) all rights, title and interest created by the Existing Owner in favour of the Lender pursuant to the Existing Owner's Guarantee and the other Finance Documents to which the Existing Owner was a party.

D. Pursuant to the Original Loan Agreement and as security for the obligations of the Borrower to the Lender thereunder, the Parent Guarantor has executed a guarantee and indemnity dated 23 October 2009 as amended by a Confirmation of Parent Guarantee dated 28 January 2011 (together the "**Parent Guarantee**") both made between the Parent Guarantor and the Lender.

E. The Borrower and the Parent Guarantor have requested the Lender to, *inter alia*, (i) make available to the Borrower an Advance under Tranche B to be on lent to the Astra Owner for the purposes of (a) assisting the Astra Owner in refinancing shareholders' loans incurred in connection with the acquisition of the Astra Ship and (b) providing the Astra Owner with working and investment capital and (ii) amend and restate the Original Loan Agreement in the manner hereinafter set forth.

F. The Lender has agreed to consent to the requests referred to in Recital E above subject to the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration (receipt of which is hereby acknowledged) the parties do hereby agree as follows:

1. Definitions

1.1 Defined expressions

Words and expressions defined in the Loan Agreement shall, unless the context otherwise requires or unless otherwise defined herein, have the same meanings when used in this Agreement.

1.2 Definitions

Schedule 2 set outs definitions or expressions used in this Agreement.

1.3 Original Restated Loan Agreement

References in the Loan Agreement to “this Agreement” shall, with effect from the Effective Date and unless the context otherwise requires, be references to the Original Loan Agreement as amended and restated by this Agreement and words such as “herein”, “hereof”, “hereunder”, “hereafter”, “hereby” and “hereto”, where they appear in the Loan Agreement, shall be construed accordingly.

1.4 Headings

Clause headings and the table of contents are inserted for convenience of reference only and shall be ignored in the interpretation of this Agreement.

2. Consent of the Lender

The Lender, relying upon the representations and warranties on the part of the Relevant Parties contained in Clause 4, agrees with the Borrower that, subject to the terms and conditions of this Agreement and in particular, but without prejudice to the generality of the foregoing, fulfilment on or before 31 May 2011 of the conditions contained in Clause 5 and Schedule 1, the Lender agrees to the amendments of the Original Loan Agreement on the terms set out in Schedule 3.

3. Amendments to the Original Loan Agreement

3.1 Amendments to the Original Loan Agreement

The Original Loan Agreement shall, with effect on and from the Effective Date, be (and it is hereby) amended in accordance with the form of the amended and restated Loan Agreement set out in Schedule 3 and (as so amended) will continue to be binding upon the Lender and the Borrower upon such terms as so amended and restated.

3.2 Continued force and effect

Save as amended and restated by this Agreement, the provisions of the Original Loan Agreement shall continue in full force and effect and the Original Loan Agreement and this Agreement shall be read and construed as one instrument.

4. Representations and Warranties

Each of the Relevant Parties represents and warrants to the Lender that:

4.1 Corporate power

It has power to execute, deliver and perform its obligations under the Relevant Documents to which it is or is to be a party and all necessary corporate, shareholder and

other action has been taken by each of the Relevant Parties to authorise the execution, delivery and performance of the Relevant Documents to which it is or is to be a party;

4.2 Binding obligations

the Relevant Documents to which it is or is to be a party constitute valid and legally binding obligations of each of the Relevant Parties enforceable in accordance with their terms;

4.3 No conflict with other obligations

the execution, delivery and performance of the Relevant Documents to which it is or is to be a party by each of the Relevant Parties will not (i) contravene any existing law, statute, rule or regulation or any judgment, decree or permit to which any of the Relevant Parties is subject, (ii) conflict with, or result in any breach of any of the terms of, or constitute a default under, any agreement or other instrument to which any of the Relevant Parties is a party or is subject or by which it or any of its property is bound, (iii) contravene or conflict with any provision of the constitutional documents of any of the Relevant Parties or (iv) result in the creation or imposition of or oblige any of the Relevant Parties to create any Encumbrance (other than an Encumbrance created pursuant to the Finance Documents) on any of the undertaking, assets, rights or revenues of any of the Relevant Parties;

4.4 No filings required

except for the registration of the Mortgage at the appropriate registry of the Republic of Panama, it is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of any of the Relevant Documents that they or any other instrument be notarised, filed, recorded, registered or enrolled in any court, public office or elsewhere in any Relevant Jurisdiction or that any stamp, registration or similar tax or charge be paid in any Relevant Jurisdiction on or in relation to the Relevant Documents and each of the Relevant Documents is in proper form for its enforcement in the courts of each Relevant Jurisdiction;

4.5 Choice of law

the choice of English law or of the law of the Republic of Panama or of Greek law, as the case may be, to govern the Relevant Documents and the submissions by each Relevant Party which is a party thereto to the non-exclusive jurisdiction of the English courts and the Greek courts, as the case may be, are valid and binding;

4.6 Consents obtained

every consent, authorisation, licence or approval of, or registration or declaration to, governmental or public bodies or authorities or courts required by any of the Relevant Parties in connection with the execution, delivery, validity, enforceability or admissibility in evidence of the Relevant Documents to which it is or will become a party or the performance by any of the Relevant Parties of their respective obligations under such documents has been obtained or made and is in full force and effect and there has been no default in the observance of any conditions or restrictions (if any) imposed in, or in connection with, any of the same; and

4.7 Repetition of representations and warranties

each of the representations and warranties contained in Clause 4 of this Agreement, Clause 10 of the form of the amended and restated Loan Agreement set out in Schedule 2 and Clause 4 of the Parent Guarantee, each as amended by the Relevant Document amending same shall be deemed to be repeated by the Relevant Parties on the Effective Date as if made with reference to the facts and circumstances existing on such day.

5. Conditions

5.1 Documents and evidence

The consent and agreement of the Lender referred to in Clause 2 shall be subject to the receipt by the Lender or its duly authorised representative on or before the Effective Date of the documents and evidence specified in Schedule 1 in form and substance satisfactory to the Lender.

5.2 General conditions precedent

The consents and agreements of the Lender referred to in Clause 2 shall be further subject to:

(a) the representations and warranties in Clause 4 being true and correct on the Effective Date as if each was made with respect to the facts and circumstances existing at such time; and

(b) no Event of Default having occurred and continuing at the time of the Effective Date.

5.3 Waiver of conditions precedent

The conditions specified in this Clause 5 are inserted solely for the benefit of the Lender and may be waived by the Lender in whole or in part with or without conditions.

6. Relevant Parties' confirmation

Each of the Relevant Parties hereby confirms its consent to the amendments to the Original Loan Agreement as set out in Clause 2 and agrees that:

6.1 the Original Loan Agreement as hereby amended and restated and each of the Finance Documents to which it is a party, and its obligations thereunder, shall remain and continue in full force and effect notwithstanding the amendments to the Original Loan Agreement and the other Finance Documents contained in this Agreement; and

6.2 with effect from the Effective Date references to (i) "the Agreement" or "the Loan Agreement" in any of the other Finance Documents to which it is a party shall henceforth be references to the Original Loan Agreement as amended by this Agreement and as from time to time hereafter amended and shall also be deemed to include this Agreement and the obligations of the Borrower hereunder and (ii) references in any of the Finance Documents to any other Finance Document to which it is a party shall henceforth be reference to that Loan Document as amended by this Agreement and as from time to time hereafter amended.

7. Expenses

7.1 Expenses

The Borrower agrees to pay to the Lender on a full indemnity basis on demand all expenses (including legal and out-of-pocket expenses) incurred by the Lender:

(a) in connection with the negotiation, preparation, execution and, where relevant, registration of this Agreement, the other Relevant Documents or any of them and any discharge or release documents required to be executed by the Lender and of any amendment or extension of or the granting of any waiver or consent under this Agreement, the other Relevant Documents or any of them or any such discharge or release documents;

(b) in contemplation of, or otherwise in connection with, the enforcement of, or preservation of any rights under this Agreement or the other Relevant Documents or otherwise in respect of the monies owing and obligations incurred under this Agreement and the other Relevant Documents; and

(c) together with interest at the rate referred to in Clause 8.1 of the Original Loan Agreement from the date on which such expenses were incurred to the date of payment (as well after as before judgment).

7.2 Value Added Tax

All fees and expenses payable pursuant to this Clause 7 shall be paid together with value added tax or any similar tax (if any) properly chargeable thereon.

7.3 Stamp and other duties

The Borrower agrees to pay to the Lender on demand all stamp, documentary, registration or other like duties or taxes (including any duties or taxes payable by the Lender) imposed on or in connection with this Agreement or the other Relevant Documents or any of them and shall indemnify the Lender against any liability arising by reason of any delay or omission by the Borrower to pay such duties or taxes.

8. Miscellaneous and notices

8.1 Notices

The provisions of Clause 16 of the Original Loan Agreement shall extend and apply to the giving or making of notices or demands hereunder as if the same were expressly stated herein.

8.2 Counterparts

This Agreement may be executed in any number of counterparts and by the different parties on separate counterparts, each of which when so executed and delivered shall be an original but all counterparts shall together constitute one and the same instrument.

9. Applicable Law-Jurisdiction

9.1 This Agreement and any non-contractual obligations arising from or in connection with it shall be governed by and construed in accordance with the laws of England.

9.2 Subject to Clause 9.3, the courts of England shall have exclusive jurisdiction to settle any disputes which may (a) arise out of or in connection with this Agreement; or (b) relate to any non-contractual obligations arising from or in connection with this Agreement.

9.3 Clause 9.2 is for the exclusive benefit of the Lender which reserves the right:

(a) to commence proceedings in relation to any matter which arises out of or in connection with this Agreement or relates to any non-contractual obligations arising from or in connection with this Agreement in the courts of the Republic of Greece and/or any country other than England or Greece and which have or claim jurisdiction to that matter; and

(b) to commence such proceedings in the courts of any such country or countries concurrently with or in addition to proceedings in England or Greece or without commencing proceedings in England or Greece.

No Relevant Party shall commence any proceedings in any country other than England in relation to a matter which arises out of or in connection with this Agreement or relates to any non-contractual obligations arising from or in connection with this Agreement.

9.4 Each Relevant Party irrevocably appoints HFW Nominees Ltd., with offices at Friary Court, 65 Crutched Friars, London EC3N 3AE, England, to act as its agent to receive and accept on its behalf any process or other document relating to any proceedings in the English courts which are connected with this Agreement and any non-contractual obligations arising from or in connection with this Agreement.

9.5 Each Relevant Party irrevocably designates and appoints Mrs. Vasiliki Papaefthymiou, an attorney-at-law with offices at 85 Akti Miaouli, 185 38 Piraeus, Greece, as agent for the service of process in Greece (“antiklitos”) and agrees to consider any legal process or any demand or notice made served on behalf of the Lender on the said agent as being made to such Relevant Party. The designation of such an authorized agent (“antiklitos”) shall remain irrevocable until all Indebtedness shall have been paid in full in accordance with the terms of this Agreement and the Relevant Documents.

9.6 Nothing in this Clause 9 shall exclude or limit any right which the Lender may have (whether under the law of any country, an international convention or otherwise) with regard to the bringing of proceedings, the service of process, the recognition or enforcement of a judgment or any similar or related matter in any jurisdiction.

9.7 In this Clause 9, "proceedings" means proceedings of any kind, including an application for a provisional or protective measure or enforcement court order (*diatagi pliromis*).

10. Contract (Rights of Third Parties) Act 1999

No term of this Agreement is enforceable under the Contract (Rights of Third Parties) Act 1999 by a person who is not a party to this Agreement.

IN WITNESS whereof the parties to this Agreement have caused this Agreement to be duly executed as a deed on the date first above written.

EXECUTION PAGE

BORROWER

Signed by Todd Johnson) /s/ Todd Johnson
for and on behalf of)
NAVIOS SHIPMANAGEMENT INC.)
in the presence of:)
/s/ Anna Zois
Anna Zois
V&P Law Firm
15 Filikis Eterias Square
106 73 Athens, Greece

PARENT GUARANTOR

Signed by Todd Johnson) /s/ Todd Johnson
for and on behalf of)
NAVIOS MARITIME HOLDINGS INC.)
in the presence of:)
/s/ Anna Zois
Anna Zois
V&P Law Firm
15 Filikis Eterias Square
106 73 Athens, Greece

ASTRA OWNER

Signed by Todd Johnson) /s/ Todd Johnson
for and on behalf of)
ASTRA MARITIME CORPORATION)
in the presence of:)
/s/ Anna Zois
Anna Zois
V&P Law Firm
15 Filikis Eterias Square
106 73 Athens, Greece

LENDER

Signed by Vasiliki Katsouli	) /s/ Vasiliki Katsouli
for and on behalf of	)
MARFIN POPULAR BANK PUBLIC CO LTD	)
in the presence of:	)

/s/ Anna Zois
Anna Zois
V&P Law Firm
15 Filikis Eterias Square
106 73 Athens, Greece

Date 23 October 2009
as amended by a side letter dated 7 September 2010, by a first supplemental agreement dated 28 January 2011 and as further amended and restated on 6 May 2011

NAVIOS SHIPMANAGEMENT INC.
as Borrower

- and -

MARFIN POPULAR BANK PUBLIC CO LTD
as Lender

LOAN AGREEMENT
relating to a revolving credit facility
of up to $30,000,000

TABLE OF CONTENTS

THIS LOAN AGREEMENT is made on 23 October 2009 as amended by a side letter dated 7 September 2010 and by a first supplemental agreement dated 28 January 2011 and as further amended and restated on 6 May 2011

BETWEEN:

(1) **NAVIOS SHIPMANAGEMENT INC.** as Borrower; and

(2) **MARFIN POPULAR BANK PUBLIC CO LTD** (successor by way of cross-border merger of **Marfin Egnatia Bank Societe Anonyme**), as Lender.

WHEREAS:

The Borrower has requested and the Lender has agreed to make available to the Borrower a revolving credit facility of up to Thirty million Dollars ($30,000,000) for the purposes of (i) providing the Borrower with funds to be on lent to the Astra Owner and/or any other member of the Group for the purpose of (a) assisting the Astra Owner in refinancing shareholders' loans incurred in connection with the acquisition of the Astra Ship and/or (b) assisting any other member of the Group in financing or refinancing (as the case may be) part of the Contract Price of any other Additional Ship and (ii) providing the Borrower and/or any other member of the Group with working and investment capital on the terms and conditions hereinafter set forth.

Definitions, Amount, Purpose and Availability

1.1 Schedule 1 sets out definitions or expressions used in this Loan Agreement.

1.2 The amount of the Loan shall not exceed in aggregate Thirty million Dollars ($30,000,000) and shall be available to the Borrower in two (2) Tranches in the following amounts and for the following purposes:

1.2.1 Tranche A of up to an amount which when added to any amounts drawn down and outstanding under Tranche B shall not exceed Thirty million Dollars ($30, 000,000) to be made available in multiple Advances (together the "**Tranche A Advances**" and singly each a "**Tranche A Advance**") in amounts approved by the Lender for the purposes of providing the Borrower with funds to be on lent to one or more member(s) of the Group for the purpose of assisting such member(s) of the Group in financing or refinancing part of the Contract Instalments or Contract Price (as the case may be) of the relevant Additional Ship;

1.2.2 Tranche B of up to an amount which when added to any amounts drawn down and outstanding under Tranche A shall not exceed Thirty million Dollars ($30,000,000) to be made available in multiple Advances as follows:

(i) an Advance (the "**Astra Ship Advance**") in an amount of up to Eighteen million Eight hundred Fifty thousand Dollars ($18,850,000) for the purpose of providing the Borrower with funds to be on lent to the Astra Owner for the purpose of (A) assisting the Astra Owner in refinancing shareholders' loans incurred in connection with the acquisition of the Astra Ship and (B) providing the Astra Owner with working and investment capital and following a prepayment of the Astra Ship Advance in part or in full:

(ii) Advances (together the "**Tranche B Additional Ship Advances**" and singly each a "**Tranche B Additional Ship Advance**") in amounts approved by the Lender for the purposes of providing the Borrower with funds to be on lent to one or more member(s) of the Group for the purpose of assisting such member(s) of the Group in financing part of the Contract Instalments or the Contract Price or any part thereof (as the case may be) of the relevant Additional Ship; and/or

(iii) Advances (hereinafter called together the "**Investment and Working Capital Advances**" and singly each an "**Investment and Working Capital Advance**" and together with the Astra Ship Advance and the Tranche B Additional Ship Advances the "**Tranche B Advances**" and singly each a "**Tranche B Advance**") in amounts approved by the Lender in its sole and absolute discretion, for the purpose of providing the Borrower and/or any other member of the Group with working and investment capital.

1.3 Subject as herein provided, each Advance under a Tranche shall be available to the Borrower for drawing only during the Availability Period in respect of such Advance. Any part of a Tranche which remains undrawn at the close of business in Athens on the relevant Termination Date shall be automatically cancelled.

Drawdown

2.1 Subject to:

(i) the receipt by the Lender of the documents referred to in Clauses 2.6, 2.7, 2.8 and 2.9 in form and substance satisfactory to the Lender and its legal advisors before the relevant Drawdown Date;

(ii) no Event of Default or an event which with the giving of notice or passage of time or satisfaction of any other condition or any combination of the foregoing, may become an Event of Default having occurred;

(iii) the representations and warranties set out in Clause 10 (updated *mutatis mutandis* to the relevant Drawdown Date) being true and correct; and

(iv) the receipt by the Lender of a notice of drawdown substantially in the form set forth in Schedule 2 (the " **Notice of Drawdown**") not later than 11:00 a.m. (London time) three (3) Business Days prior to the relevant Drawdown Date (or on such earlier Business Day as may be agreed by the Lender) setting out the proposed Drawdown Date,

an Advance shall be made available to the Borrower under a Tranche in accordance with and on the terms and conditions of this Loan Agreement.

2.2 Each Notice of Drawdown shall be irrevocable and shall commit the Borrower to borrow on the date stated.

2.3 On payment of the amount drawdown in respect of each Advance the Borrower shall sign an acknowledgment substantially in the form set forth in Schedule 3 (the "**Acknowledgment**").

2.4 Unless otherwise expressly agreed between the Borrower and the Lender no Advance under a Tranche shall be made:

2.4.1 if by being drawn down it would increase the Tranche in respect of which it is drawn down to a sum in excess of the Applicable Limit in respect thereof; and/or

2.4.2 in an amount of less than Five million Dollars ($5,000,000) or multiples thereof.

2.5 The Borrower may, at any time during the Availability Period, cancel either Tranche or, as the case may be, any part thereof which remains undrawn in whole or in part (but if in part in a minimum of One million Dollars ($1,000,000) or a multiple thereof upon giving the Lender three (3) Business Days' notice in writing to that effect. Such notice once given shall be irrevocable and upon such cancellation taking effect the relevant Tranche or the relevant part thereof shall be reduced accordingly. Notwithstanding any such cancellation pursuant to this Clause 2.5 the Borrower shall continue to be liable for any and all amounts due to the Lender under this Loan Agreement including without limitation any amounts due to the Lender under Clauses 7, 8, 9 and 12.

2.6 Notwithstanding the provisions of Clauses 2.1-2.5 the agreement of the Lender to permit the Drawdown of an Advance under a Tranche is subject to the condition that the Lender shall have received not later than the Drawdown Date in respect thereof the following documents or evidence in form and substance satisfactory to the Lender and its legal advisors:

(a) copies certified as true copies of the certificate of incorporation and constitutional documents of the Borrower, the Parent Guarantor and each Relevant Owner (each a **"Relevant Security Party");**

(b) original resolutions of the directors and of the shareholders (other than the Parent Guarantor) of each Relevant Security Party authorising the execution of each of the Finance Documents to which such Relevant Security Party is a party (the **"Relevant Finance Documents")** and, in the case of the Borrower, authorising named officers or attorneys to sign or execute on behalf of the Borrower the Notice of Drawdown, the Acknowledgment and other notices under this Loan Agreement;

(c) the original of any power of attorney under which any Relevant Finance Document is executed on behalf of each Relevant Security Party;

(d) certificates or other evidence satisfactory to the Lender in its sole discretion of the existence and goodstanding of each Relevant Security Party dated not more than fifteen (15) days before the date of this Loan Agreement;

(e) certified copies of all documents (with a certified translation if an original is not in English) evidencing any other necessary action (including but without limitation governmental approval, consents, licences, authorisations, validations or exemptions which the Lender or its legal advisers may require) by the Relevant Security Party with respect to this Loan Agreement and the other Relevant Finance Documents;

(f) copies of all consents which each Relevant Security Party requires to enter into, or make any payment under, any Relevant Finance Document and any Underlying Document to which such Relevant Security Party is a party and evidence as the Lender and/or its legal advisers shall require;

(g) evidence that the Borrower's Pledged Account has been duly opened by the Borrower with the Account Branch and that all mandate forms, signature cards and authorities have been duly delivered and that such account is free of all liens or charges other than the liens and charges in favour of the Lender referred to therein;

(h) a letter from each Relevant Security Party's agent for receipt of service of proceedings referred to in Clauses 17.4 and 17.5 accepting its/her appointment under the said Clauses and under each of the other Relevant Finance Documents in which it/she is or is to be appointed as such Relevant Security Party's agent, provided that such documents may be delivered within five (5) Business Days after the relevant Drawdown Date;

(i) favourable legal opinions addressed to the Lender from lawyers appointed by the Lender on such matters concerning the laws of the Marshall Islands and such other relevant jurisdictions as the Lender may require in form and substance satisfactory to the Lender;

(j) evidence that the fees and expenses payable to the Lender on the date of this Loan Agreement in accordance with Clause 5 (iii) have been duly paid;

(k) such documentation and other evidence (in form and substance satisfactory to the Lender) as is reasonably requested by the Lender in order for the Lender to comply with all necessary "know your customer" or similar identification procedures in relation to the transactions contemplated in the Relevant Finance Documents;

(l) the Relevant Finance Documents listed in Clause 3 sub clauses (f) and (g) duly executed by the Relevant Security Parties and/or the Parent Guarantor (as the case may be); and

(m) such further documents (in accordance with normal banking practice) and evidence as the Lender may reasonably hereafter request.

2.7 In addition to the conditions referred to in Clause 2.6, all of which must have been fulfilled to the satisfaction to the Lender at the times and in the manner referred to therein, the agreement of the Lender to permit the Drawdown of an Additional Ship Advance in respect of a Newbuilding Ship is subject to the condition that the Lender shall have received not later than the Drawdown of the relevant Advance the following documents in form and substance satisfactory to the Lender and its legal advisors:

(a) an original or (in the Lender's discretion) executed certified true copy of each relevant Underlying Document together with such evidence as the Lender and/or its legal advisers shall require in relation to the due authorisation and execution by the relevant Refund Guarantor and/or the relevant Builder of the relevant Underlying Document;

(b) confirmation by the Borrower and/or the Relevant Owner that the relevant Builder (and any other party who may have a claim pursuant to the relevant Contract) has no claims against the Relevant Ship and/or the Relevant Owner and that (save as disclosed to the Lender in writing) there have been no breaches of the terms of the relevant Contract or the relevant Refund Guarantee in respect of the Relevant Ship or any default thereunder;

(c) confirmation by the Borrower and/or the Relevant Owner that (save as disclosed to the Lender in writing and save as provided in the relevant Refund Guarantee Amendments) there have been no amendments or variations agreed to the relevant Contract in respect of the Relevant Ship or any Refund Guarantee in respect of the Relevant Ship and that no action has been taken by the relevant Builder or the relevant Refund Guarantor which might in any way render such relevant Contract or relevant Refund Guarantee inoperative or unenforceable, in whole or in part;

(d) confirmation by the Borrower and/or the Relevant Owner that save for the Encumbrances created by the relevant Finance Documents in respect of the Relevant Ship there is no Encumbrance of any kind created or permitted by any person on or relating to the relevant Underlying Document in respect of the Relevant Ship;

(e) evidence that all monies due to the relevant Builder under each relevant Contract up to the relevant Drawdown Date have been paid;

(f) the relevant Refund Guarantee in respect of each Relevant Ship duly issued by the relevant Refund Guarantor (or in the event that such Refund Guarantee is sent by swift, a copy of such swift);

(g) the Relevant Finance Documents listed in Clause 3 sub clauses (a), (b), (c) and (g) duly executed by the Relevant Security Parties;

(h) the acknowledgments listed in Clause 3 sub clauses (d) and (e) duly executed by the relevant Builder or the relevant Refund Guarantor (as the case may be);

(i) a copy of the email or telefax advice from the relevant Builder as same is confirmed by the classification society of the Relevant Ship that the steel cutting and/or keel laying and/or launching of that Relevant Ship has been completed;

(j) a duly issued invoice (or other evidence satisfactory to the Lender in its absolute discretion) from the relevant Builder showing all sums (including interest (if any) then due and payable to the relevant Builder in relation to the relevant Contract Instalment pursuant to the relevant Contract; and

(k) evidence that the Relevant Owner's Pledged Account has been duly opened by the Borrower with the Lender and that all mandate forms, signature cards and authorities have been duly delivered and that such account is free of all liens or charges other than the liens and charges in favour of the Lender referred to therein.

2.8 In addition to the conditions referred to in Clause 2.6, all of which must have been fulfilled to the satisfaction of the Lender at the time and in the manner referred to therein, the agreement of the Lender to permit the Drawdown of an Additional Ship Advance in relation to a Delivered Ship is further subject to the condition that the Lender shall have received not later than the Drawdown of the relevant Advance the following documents in form and substance satisfactory to the Lender and its legal advisors:

(a) evidence that the Relevant Owner's Earnings Account has been duly opened by the Relevant Owner with the Account Branch and that all mandate forms, signature cards and authorities have been duly delivered and that such account is free of all liens or charges other than the liens and charges in favour of the Lender referred to therein;

(b) confirmation by the Borrower and/or the Relevant Owner that save for the Encumbrances created by the Relevant Finance Documents in respect of the Relevant Ship, there is no Encumbrance of any kind created or permitted by any person on or relating to the relevant Underlying Document in respect of the Relevant Ship;

(c) evidence that the Relevant Ship shall on the Drawdown Date of such Advance be duly registered in the ownership of the Relevant Owner under the laws and flag of the relevant Flag State, free from registered Encumbrances other than the Finance Document referred to in sub-Clause 3(h) to be registered thereon;

(d) the Finance Documents listed in Clause 3 sub-clauses (g) (in respect of the Relevant Owner's Earnings Account to be opened in the name of the Relevant Owner), (h), (i), (j), (k), (l) and (m) duly executed by the Relevant Owner or the Manager (as the case may be);

(e) evidence that the Relevant Ship is insured in accordance with the provisions of this Loan Agreement;

(f) evidence that the Relevant Ship is classed at the highest classification status with her Classification Society;

(g) certified copies of the classification and international safety and trading certificates issued by the Classification Society of the Relevant Ship free of recommendations or other conditions or notations affecting her class;

(h) certified copy of the Management Agreement in respect of the Relevant Ship;

(i) copies of ISM Code Documentation and the ISPS Code Documentation in respect of the Relevant Ship, the Relevant Owner and the Manager;

(j) a charter-free or (in the Lender's sole discretion) a charter-attached valuation of the Relevant Ship on the basis of Clause 10.9 (i);

(k) evidence that the balance Contract Price (save for the part being financed pursuant to the relevant Advance (other than the Astra Ship Advance)) due to the relevant Seller in respect of that Relevant Ship under the relevant Contract has been or will immediately on Drawdown of the relevant Advance in respect of the Relevant Ship, be paid to the relevant Seller; and

(l) copies of the relevant Underlying Documents (including, without limitation, the protocol of delivery and acceptance, bill of sale, commercial invoice) in respect of the Relevant Ship, duly executed and certified as true and complete copies thereof by the Borrowers' legal counsels.

2.9 In addition to the conditions referred to in Clauses 2.6, 2.7 and 2.8, all of which must have been fulfilled to the satisfaction of the Lender at the times and in the manner referred to therein, the agreement of the Lender to permit the Drawdown of a Tranche A Advance in respect of a Newbuilding Ship is subject to the condition that the Lender shall have received not later than the Drawdown Date of the relevant Tranche A Advance the Post Delivery Documents in form and substance satisfactory to the Lender and its legal advisors.

2.10 For the purposes of Clauses 2.7, 2.8, 2.9, 2.11 and 3 the expression "**Relevant Ship**" means in respect of the Drawdown of the Astra Ship Advance the Astra Ship and in respect of the Drawdown of any Additional Ship Advance under either Tranche the Additional Ship financed by such Additional Ship Advance and the expression "**Relevant Owner**" shall be construed accordingly.

2.11 Without prejudice to any of the foregoing provisions of Clauses 2.6., 2.7 and 2.9 the Lender may, at the written request of the Borrower, consent to the payment of the amount of one or more Advances to the credit of the Borrower's Pledged Account prior to the satisfaction of the relevant conditions referred to in Clauses 2.6, 2.7 and 2.9 and thereafter permit the release from the Borrower's Pledged Account of monies in amounts approved by the Lender gradually to a Relevant Owner's Pledged Account to be used for the payment of the relevant Steel Cutting Instalment and/or the relevant Launching Instalment and/or the relevant Keel Laying Instalment or any part thereof or any other part of the relevant Contract Price of the Relevant Ship to be acquired by the Relevant Owner payable on the relevant Steel Cutting Instalment Payment Date or the relevant Launching Instalment Payment Date or the relevant Keel

Laying Instalment Payment Date or any other date on which payment of the relevant part of the relevant Contract Price is required to be made in accordance with the terms of the relevant Contract, by the Relevant Owner upon satisfaction of the conditions precedent. PROVIDED HOWEVER THAT the Lender may permit the Drawdown of an Advance (other than an Advance credited to the Borrower's Pledged Account in accordance with the provisions of Clause 2.11) and/or the release of monies credited to the Borrower's Pledged Account prior to the satisfaction of the relevant conditions precedent stated in Clauses 2.6 and/or 2.7 and/or 2.9 and in such case the Borrower hereby covenants and undertakes to satisfy or procure the satisfaction of such conditions or conditions within ten (10) Business Days after the date of the relevant Drawdown Date or the release of funds from the Borrower's Pledged Account (as the case may be).

Security

As security for the due and punctual repayment of the Loan and the payment of interest thereon all other sums of money whatsoever from time to time due and owing from the Borrower to the Lender hereunder, the Lender shall receive the following security documents in form and substance satisfactory to the Lender at the time specified by the Lender or otherwise as required by the Lender:

(a) each Owner's Guarantee duly executed by the relevant Owner in favour of the Lender;

(b) In relation to each Newbuilding Ship: a first priority assignment of the rights of each Relevant Owner under the relevant Contract duly executed by such Relevant Owner in favour of the Lender together with respective notices thereof;

(c) In relation to each Newbuilding Ship: a first priority assignment of the rights of each relevant Owner in the relevant Refund Guarantee duly executed by such Relevant Owner in favour of the Lender together with respective notices thereof;

(d) an acknowledgement of the notice of assignment relating to each relevant Contract duly executed by the relevant Builder, such acknowledgement to be received within thirty (30) Business Days after the relevant Drawdown Date;

(e) an acknowledgement of the notice of assignment relating to each relevant Refund Guarantee duly executed by the relevant Refund Guarantor, such acknowledgement to be received within thirty (30) Business Days after the relevant Drawdown Date;

(f) the Parent Guarantee duly executed by the Parent Guarantor in favour of the Lender;

(g) a first priority assignment, pledge and charge, duly executed by the Borrower and/or the Relevant Owner (as the case may be) in favour of the Lender, assigning, pledging and charging any monies from time to time standing to the credit of the relevant

Owner's Pledged Account and the Relevant Owner's Earnings Account opened in the name of the Borrower or such Relevant Owner (as the case may be);

(h) in relation to each Delivered Ship a first preferred mortgage or, as the case may be, a first priority mortgage and deed of covenants collateral thereto, duly executed by the Relevant Owner in favour of the Lender and duly recorded with the appropriate authorities of the relevant Flag State;

(i) in relation to each Delivered Ship, a first priority deed of assignment relative to the Earnings, Insurances and Requisition Compensation of that Ship duly executed by the Relevant Owner in favour of the Lender;

(j) in relation to each Delivered Ship, the notices of assignment of the Earnings and the Insurances in respect of that Ship duly signed by the Relevant Owner;

(k) in relation to each Delivered Ship, a letter of undertaking including, where appropriate, an assignment of any obligatory insurances, duly executed by the Manager in favour of the Lender;

(l) in relation to each Delivered Ship, a first priority specific assignment of the rights, title and interest of the Relevant Owner in, *inter alia*, the relevant Charter duly executed by the Relevant Owner in favour of the Lender; and

(m) in relation to each Delivered Ship, notices of assignment of the relevant Charter in respect of such Ship duly signed by the Relevant Owner.

Repayment- Reduction — Prepayment

4.1 Subject as hereinafter provided, the aggregate of all outstanding amounts under each Tranche shall be repaid by the Borrower to the Lender on the Original Expiration Date for that Tranche or, subject to Clause 4.2 in the case of any extension or renewal of that Tranche pursuant to Clauses 4.2 the last Business Day of the period specified in the Lender's notice referred to in Clause 4.3 whereupon the relevant Tranche shall be cancelled and no further Advances in respect of that Tranche shall be drawn down.

4.2 The Borrower may request in writing an extension of a Tranche for further periods of up to twelve (12) months, PROVIDED THAT such request must be addressed to the Lender at least twenty (20) Business Days prior to the Original Expiration Date for that Tranche or (in case that Tranche has already been extended pursuant to the terms of this Clause 4.2) twenty (20) Business Days prior to the relevant Expiration Date specified in the Lender's notice referred to in Clause 4.3.

4.3 The Lender may (in its sole and absolute discretion) by a notice in writing to the Borrower, consent to the request of the Borrower referred to in Clause 4.2 above and agree to the extension of the repayment of the relevant Tranche for one or more periods of up to twelve (12) months. PROVIDED HOWEVER THAT the Lender may at its discretion, upon giving its consent to such extension adjust the Applicable Limit as it may deem appropriate. If the Lender does not give such consent as aforesaid, all outstanding amounts of the relevant Tranche shall be repayable in accordance with Clause 4.1.

4.4 (i) The Borrower accepts and agrees than on each Reduction Date in respect of the Astra Ship Advance the maximum amount of the Astra Ship Advance shall be reduced to the Applicable Limit in respect thereof available on such Reduction Date and in case that on any Reduction Date the outstanding principal amount of the Astra Ship Advance drawn down and outstanding on such Reduction Date, exceeds the Applicable Limit available in respect of the Astra Ship Advance on such Reduction Date, the Borrower covenants to pay to the Lender on such Reduction Date such part of the Astra Ship Advance as shall be required in order to reduce the amount outstanding under the Astra Ship Advance to the Applicable Limit available in respect thereof on such Reduction Date:

Reduction Date	Applicable Limit on the relevant Reduction Date
1	18,378,750
2	17,907,500
3	17,436,250
4	16,965,000
5	16,493,750
6	16,022,500
7	15,551,250
8	0

(ii) The Borrower accepts and agrees that on each relevant Reduction Date in respect of any Additional Ship Advance (other than the Astra Ship Advance) in respect of a Delivered Ship (other than the Astra Ship), the maximum amount of such Additional Ship Advance shall be reduced to the Applicable Limit in respect thereof available on such Reduction Date and in case that on any Reduction Date the outstanding principal amount of the relevant Additional Ship Advance drawn down and outstanding on such Reduction Date, exceeds the Applicable Limit available in respect of such Additional Ship Advance on such Reduction Date, the Borrower covenants to pay to the Lender on such Reduction Date such part of such Additional Ship Advance as shall be required in order to reduce the amount outstanding under such Additional Ship Advance to the Applicable Limit available in respect thereof on such Reduction Date.

(iii) The Lender may, in its sole and absolute discretion, at least two (2) Business Days prior to the Drawdown Date of an Additional Ship Advance in respect of a Delivered Ship, prepare and deliver to the Borrower a Reduction Schedule applicable to such Additional Advance, which Reduction Schedule shall be binding on the Borrower and shall be considered as an integral part of this Loan Agreement.

4.5 Subject to the provisions of Clause 4.6 on the Delivery Date of each Ship (other than a Delivered Ship) (for the purposes of this Clause 4.5 referred to as the “Original Ship”), the Borrower shall either (i) mandatorily prepay to the Lender an amount equal to the amounts of

the Advances related to the relevant Original Ship whereupon the Applicable Limit of the relevant Tranche shall be reduced by the amounts so prepaid or, at its option, (ii) pay to the credit of the Borrower's Pledged Account the amount referred to in sub-paragraph 4.5(i) above, whereupon in either such case the Lender shall release the relevant Owner from its obligation under this Loan Agreement and the other Finance Documents to which such Owner is a party.

4.6 (a) The Borrower shall have the option to be exercised in writing at the time before payment becomes due (the "Due Date") to the Lender pursuant to Clause 4.5, to nominate to the Lender an alternative ship or ships as security for the obligations of the Borrower under this Loan Agreement and the other Finance Documents to which it is party.

(b) The Lender in its sole and absolute discretion, may accept one or more of such nominated ships (together the "Substitute Ships" and singly each a "Substitute Ship") as security, and the Borrower shall in lieu of making payment of the amount due on the Due Date (the "Original Amount") provide the documents, evidence and payment referred to in Clause 4.6.1 on or before the Due Date.

(c) If the Lender does not accept a Substitute Ship or Substitute Ships, the Borrower shall comply with Clause 4.5.

4.6.1 If the Lender approves a Substitute Ship, the Borrower shall on or before the Due Date:

(i) provide to the Lender documentation and evidence in respect of the Substitute Ship or Substitute Ships equivalent to that set out in Clauses 2.6, 2.7, 2.8 and 2.9 (for the avoidance of doubt Clause 2.7 sub clauses (a)-(j) are applicable only if such Substitute Ship is a newbuilding vessel and Clause 2.8 is applicable only if such Substitute Ship is a secondhand vessel) in form and substance satisfactory to the Lender and its legal advisors; and

(ii) at its cost, enter into such documentation supplemental to this Loan Agreement as the Lender may reasonably request.

4.7 Unless an Event of Default has occurred (whereupon the provisions of Clause 14.2 shall apply), if at any time during the Pre-Delivery Period for a Newbuilding Ship, that Newbuilding Ship is sold or the Contract for that Newbuilding Ship is assigned, transferred, sold or novated to or in favour of any person (with the Lender's prior written consent), the Borrower shall mandatorily prepay to the Lender on or before the date of either (i) the completion of the sale and delivery of such Newbuilding Ship to the buyers thereof or (ii) the assignment, transfer, novation or sale of the Contract for the relevant Newbuilding Ship, an amount of the Loan equal to the amount of the relevant sale or transfer or assignment or novation proceeds (net of commissions) provided however that unless the Lender otherwise agrees in writing, all sums so prepaid shall be applied by the Lender towards prepayment of the Tranche pursuant to which such Newbuilding Ship was financed under this Loan Agreement or (in case of a Substitute Ship) the Tranche pursuant to which the Original Ship which was substituted by such Substitute Ship was financed under this Loan Agreement, the Applicable Limit shall be reduced by the amounts so prepaid and applied.

4.8 Unless an Event of Default has occurred (whereupon the provisions of Clause 14.2 shall apply), the Borrower shall be obliged to prepay the relevant proportion of the Loan in the case

of sale of a Delivered Ship (with the Lender's prior written consent) other than a sale provided for in Clause 4.7) or a Delivered Ship becoming a Total Loss or being refinanced or the Finance Document referred to in sub-Clause 3 (h) on that Delivered Ship being discharged and released pursuant to sub-Clause 4.8(c):

(a) in the case of a sale, on or before the date on which the sale is completed by delivery of that Delivered Ship to its buyer; or

(b) in the case of a Total Loss, on the earlier of the date falling one hundred eighty (180) days after the date of occurrence of such Total Loss and the date of receipt by the Lender of the proceeds of insurance relating to such Total Loss; or

(c) in the case of a refinancing or discharge and release of the Finance Document referred to in sub-Clause 3 (h) (other than in the circumstances referred to in sub-paragraph (a) above and where the Borrower and/or the relevant Owner and the other Security Parties have discharged all their obligations under the relevant Finance Documents), on or before the date on which the relevant refinancing occurs or the relevant Finance Documents are discharged and released

and in this Clause 4.8 "**relevant proportion**" means in relation to a Delivered Ship an amount equal to the relevant sale, Total Loss or refinancing or discharge of the Finance Documents (referred to in sub-Clause 3 (h)) proceeds and any other amount required in order to prepay the Additional Ship Advance drawn down and outstanding in respect of that Delivered Ship and unless the Lender otherwise expressly agrees in writing, upon application of any sums prepaid under this Clause 4.8 towards prepayment of the Loan, the Applicable Limit in respect of the relevant Additional Ship Advance and the relevant Tranche shall be reduced by the amounts so prepaid and applied.

4.9 For the purposes of Clause 4.8 a Total Loss shall be deemed to have occurred:

a) in the case of an actual total loss of a Delivered Ship on the actual date and at the time that Delivered Ship was lost or if such date is not known, on the date on which such Delivered Ship was last reported;

b) in the case of a constructive total loss of a Delivered Ship upon the date and at the time notice of abandonment of such Delivered Ship is given to the Insurers of that Delivered Ship for the time being (provided a claim for such total loss is admitted by the Insurers) or, if the Insurers do not admit such a claim, or, in the event that such notice of abandonment is not given by the Owner thereof to the Insurers of that Delivered Ship, on the date and at the time on which the incident which may result, in that Delivered Ship being subsequently determined to be a constructive total loss has occurred;

c) in the case of a compromised or arranged total loss of a Delivered Ship, on the date upon which a binding agreement as to such compromised or arranged total loss has been entered into by the Insurers of such Delivered Ship;

d) in the case of Compulsory Acquisition of a Delivered Ship, on the date upon which the relevant Compulsory Acquisition occurs; and

e) in the case of hijacking, theft, condemnation, capture, seizure, arrest, detention or confiscation of a Delivered Ship (other than where the same amounts to Compulsory Acquisition of such Delivered Ship) by any Government Entity, or by persons purporting to act on behalf of any Government Entity or by pirates, hijackers, terrorists or similar persons, which deprives the Owner thereof of the use of that Delivered Ship for more than thirty (30) days (save in the case of piracy which the deprives the Owner thereof of the use of that Delivered Ship for more than one hundred and twenty (120) days) or such lesser period provided in such Delivered Ship's War Risks Insurances upon the expiry of the aforesaid period after the date upon which the relevant hijacking, theft, condemnation, capture, seizure, arrest, detention or confiscation occurred.

4.10 On giving not less than fifteen (15) days' prior written notice to the Lender the Borrower may prepay all or any part of the Loan (but if in part the amount to be prepaid shall be a multiple of $500,000) at the end of the then current Interest Period. The Borrower shall obtain any consent or approval from the relevant authorities that may be necessary to make any such prepayment of the Loan or part thereof and if it fails to obtain and/or comply with the terms of such consent or approval and in consequence thereof the Lender has to repay the amount prepaid or the Lender incurs any penalty or loss then the Borrower shall indemnify the Lender forthwith against all amounts so repaid and/or against all such penalties and losses incurred.

4.11 Unless the Lender otherwise expressly agrees in writing, all prepayments under Clause 4.10 shall be applied towards prepayment of the Tranche selected by the Borrower in such manner as shall be determined by the Lender in its sole discretion; provided however that unless the Lender otherwise requires any sums so prepaid shall be available for reborrowing up to the Applicable Limit prevailing at the relevant time in accordance with the provisions of Clause 4.15.

4.12 Each amount payable in respect of the Loan shall be repaid in Dollars.

4.13 Any prepayment of the Loan or any part thereof made or deemed to be made under this Loan Agreement shall be made together with accrued interest and any other amount payable in accordance with Clauses 5 and/or 12 and (if made otherwise, than at the end of an Interest Period relative to the amounts prepaid) such additional amount (if any) as the Lender may certify as necessary to compensate the Lender for any Broken Funding Costs incurred or to be incurred by it as a result of such prepayment.

4.14 Any notice of prepayment given by the Borrower under this Loan Agreement shall be irrevocable and the Borrower shall be bound to prepay in accordance with each such notice.

4.15 Subject to the other provisions of this Loan Agreement (including, without limitation, Clauses 9, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 14 and 15.1) any prepayment made under this Loan Agreement and applied against the Loan or any part thereof may be reborrowed hereunder.

Fees and Expenses

The Borrower shall pay to the Lender:

(i) upon demand all costs, charges and expenses (including legal fees) incurred by the Lender in connection with the preparation and execution of this Loan Agreement and the Finance Documents and all costs, charges and expenses (including legal fees) incurred by the Lender in connection with the administration, preservation and enforcement (and/or attempted enforcement) of this Loan Agreement and the Finance Documents,

(ii) upon demand all stamp, registration or other duties payable in the United Kingdom or Greece or any other jurisdiction on this Loan Agreement or the other Finance Documents, and

(iii) (a) an underwriting fee (the " **Underwriting Fee**") of one per cent (1%) of the Astra Ship Advance payable on the Drawdown Date of such Advance and at annual intervals thereafter an amount equal to one per cent (1%) of the outstanding principal amount of the Astra Ship Advance (b) a management fee (the "**Management Fee**") of zero point twenty five per cent (0.25%) per annum on the amount of the Loan drawn down and outstanding, which will be paid on the Drawdown Date of the Advance first to occur and at annual intervals thereafter throughout the Security Period (c) a renewal fee (the " **Renewal Fee**") of an amount to be agreed by the Borrower and the Lender on each date on which the Lender may agree to an extension of the Expiration Date in accordance with Clauses 4.2 and 4.3) and (d) a commitment fee (the " **Commitment Fee**") of one per cent (1%) per annum on the from time to time available, undrawn and uncancelled amount of the Loan, such Commitment Fee shall accrue from day to day for a period starting on the date of execution of this Loan Agreement and ending on the relevant Termination Date, shall be calculated upon the exact number of days which have lapsed on the basis of a year consisting of three hundred sixty (360) days and shall be payable quarterly in arrears and on the relevant Termination Date.

Interest Periods

Subject to Clause 6.2, the Interest Periods applicable to an Advance shall (subject to market availability) be periods of a duration of one (1), two (2), three (3), six (6) or twelve (12) months (or such other periods as the Lender and the Borrower may agree) as selected by the Borrower by written notice to be received by the Lender not later than 11.00 a.m. (London time) on the relevant Nomination Date;

Notwithstanding the provisions of Clause 6.1:

6.2.1 the initial Interest Period in respect of each Advance shall commence on the Drawdown Date thereof and shall end on the expiry date thereof and each subsequent Interest Period for that Advance shall commence on the expiry of the preceding Interest Period in respect thereof;

6.2.2 if any Interest Period would otherwise end on a day which is not a Business Day, that Interest Period shall be extended to the next succeeding day which is a Business Day unless such next succeeding Business Day falls in another calendar month in which event the Interest Period shall end upon the immediately preceding Business Day;

6.2.3 if any Interest Period commences on the last Business Day in a calendar month or if there is no numerically corresponding day in the month in which that Interest Period ends, that Interest Period shall end on the last Business Day in that later month;

6.2.4 no Interest Period shall extend beyond the Repayment Date;

6.2.5 if the Borrower fails to select an Interest Period in accordance with the above, such Interest Period shall be of three (3) months duration or of such other duration as the Lender in its sole discretion may reasonably select and notify the Borrower; and

6.2.6 the Borrower shall not select more than one (1) Interest Period in respect of the Loan or any part thereof at any one time.

Interest

7.1 Subject to the terms of this Loan Agreement the Borrower shall pay to the Lender interest in respect of the Loan (or the relevant part thereof) accruing at the Interest Rate for each Interest Period relating thereto in arrears on the last day of such Interest Period, provided that where such Interest Period is of a duration longer than three (3) months, accrued interest in respect of the Loan (or such part thereof) shall be paid every three (3) months during such Interest Period and on the last day of such Interest Period.

7.2 Interest shall be calculated on the basis of the actual number of days elapsed and a three hundred and sixty (360) day year.

7.3 The Interest Rate applicable for each Interest Period shall be calculated and determined by the Lender on each Interest Determination Date based on LIBOR (save as provided in Clause 9) and each such determination of an Interest Rate hereunder shall be promptly notified by the Lender to the Borrower at the beginning of each Interest Period in respect thereof.

7.4 The Lender's certificate as to the Margin and/or the Interest Rate applicable shall be final and (except in the case of manifest error) binding on the Borrower and the other Security Parties.

Default Interest

8.1 In the event of a failure by the Borrower to pay any amount on the date on which such amount is due and payable pursuant to this Loan Agreement and/or the other Finance Documents and irrespective of any notice by the Lender or any other person to the Borrower

in respect of such failure, the Borrower shall pay interest on such amount on demand from the date of such default up to the date of actual payment (as well after as before judgment) at the per annum rate which is the aggregate of (a) two per cent (2%) and (b) the Margin and (c) LIBOR or the Lender's cost of funding the Loan, for Interest Periods of longer than six (6) months; and

8.2 Clause 7.2 shall apply to the calculation of interest on amounts in default.

Substitute Basis

9.1 If the Lender determines (which determination shall be conclusive) that:

9.1.1 at 11.00 a.m. (London time) on any Interest Determination Date the Lender was not being offered by banks in the London Interbank Market deposits in Dollars in the required amount and for the required period; or

9.1.2 by reason of circumstances affecting the London Interbank Market such deposits are not available to the Lender in such market; or

9.1.3 adequate and reasonable means do not or will not exist for the Lender to ascertain the Interest Rate applicable to the next succeeding Interest Period; or

9.1.4 Dollars will or may not continue to be freely transferable; or

9.1.5 LIBOR would not adequately reflect the Lender's cost of funding the Loan or any part thereof,

then, and in any such case the Lender shall give notice of any such event to the Borrower and in case any of the above occurs on the Interest Determination Date prior to a Drawdown Date the Borrower's right to borrow an Advance shall be suspended during the continuation of such circumstances.

9.2 If, however, any of the events described in Clause 9.1 occurs on any other Interest Determination Date, then the duration of the relevant Interest Period(s) shall be up to one (1) month and during such Interest Period the Interest Rate applicable to such Advance or the relevant part thereof shall be the rate per annum determined by the Lender rounded upwards to the nearest whole multiple of one sixteenth per cent (1/16th%) to be the aggregate of the Margin and the cost (expressed as a percentage rate per annum) to the Lender of funding the amount of the Loan during such Interest Period(s).

9.3 During such Interest Period(s) the Borrower and the Lender shall negotiate in good faith in order to agree an Interest Rate or Rates and Interest Period or Periods satisfactory to the Borrower and the Lender to be substituted for those which but for the occurrence of any such event as specified in this Clause would have applied. If the Borrower and the Lender are unable to agree on such an Interest Rate(s) and Interest Period(s) by the day which is two (2)

Business Days before the end of the Interest Period referred to above, the Borrower shall repay the Loan together with accrued interest thereon at the Interest Rate set out above together with all other amounts due under this Loan Agreement relative to the Loan but without any prepayment fee, on the last day of such Interest Period, whereupon the Loan shall be cancelled and no further Advances shall be made hereunder.

Representations and Warranties and Undertakings

10.1 The Borrower hereby represents and warrants to the Lender that:

(a) each of the Security Parties is and will remain duly incorporated and validly existing under its country of incorporation as a limited liability company and/or corporation, has full power and capacity to carry on its business as it is now being conducted and to own its property and other assets and has complied with all statutory and other requirements relative to its business;

(b) to the extent of its obligations thereunder, each Security Party has and will continue to have full power and authority to enter into and perform the Finance Documents and the Underlying Documents to which it is a party, has taken all necessary corporate or other action (as the case may be) required to enable it to do so and will duly perform and observe the terms thereof;

(c) this Loan Agreement, each other Finance Document and each Underlying Document constitutes or will, upon execution and delivery, constitute valid and legally binding obligations of the parties thereto enforceable by the parties thereto in accordance with its terms save for laws restricting creditors' rights generally (except this representation is not given in respect of the obligations of the Lender hereunder or under any of the other Finance Documents);

(d) all consents, licences, approvals, registrations or authorizations of governmental authorities and agencies or declarations to creditors required:

(i) to make this Loan Agreement, each of the other Finance Documents and each of the Underlying Documents valid, enforceable and admissible in evidence; and

(ii) to authorize or otherwise permit the execution and delivery of this Loan Agreement, each of the other Finance Documents and each of the Underlying Documents and the performance by the parties thereto (except the Lender) of each of them

have been obtained or made and are and will be in full force and effect and there has been no default in the observance of any of the terms or conditions of any of them;

(e) except as previously disclosed in writing to the Lender and as disclosed in the Compliance Certificates to be delivered to the Lender in accordance with clause 10.4 (g), no Security Party or any other member of the Group is in default under any agreement to which it is a party or by which it may be bound (actually or contingently) which default would be likely to have a material adverse effect on its business, assets or condition or its ability to perform its obligations under this Loan Agreement and such of the other Finance Documents and the Underlying Documents to which it is a party and as at the date hereof, except as disclosed in writing to the Lender, no material litigation or administrative proceedings involving any Security Party or any other member of the Group of or before any board of arbitration, court or governmental authority or agency is proceeding, pending or (to its knowledge) threatened anywhere in the world the result of which would have or is likely to have a material adverse effect on the business, assets or financial condition of such Security Party or other member of the Group and, in the event that any such litigation or proceedings shall hereafter arise, the Borrower hereby undertakes to give prompt notice thereof to the Lender;

(f) no Security Party is required by the laws of any country from which it may make any payment hereunder or under any of the Finance Documents or any of the Underlying Documents to make any deduction or withholding from any such payment;

(g) the execution, delivery and performance of this Loan Agreement and such of the Finance Documents and the Underlying Documents to which each Security Party is a party will not violate or exceed the powers conferred upon it under its articles of incorporation or by-laws or other constituting or corporate documents or any provision of any applicable law or of any regulation, order or decree to which it is subject or result howsoever in the creation or imposition of any Encumbrance on all or part of its undertaking or assets;

(h) the obligations of the Borrower under this Loan Agreement are its direct, general unconditional obligations and rank at least *pari passu* with all its present and future unsecured and unsubordinated obligations (including contingent obligations) with the exception of such obligations as are mandatorily preferred by law and not by contract;

(i) all information furnished by or on behalf of the Borrower or any other Security Party in writing in connection with the negotiation and preparation of this Loan Agreement, the other Finance Documents and the Underlying Documents is true and accurate in all respects and not misleading and does not omit any facts and there are no other facts the omission of which would make any such information misleading;

(j) no Security Party has neither any taxable income nor an office or place of business in the United Kingdom or in the United States of America which generates tax or

consequently renders any of the Finance Documents registrable in any register in the United Kingdom or in the United States of America whatsoever;

(k) the entry by the Borrower into this Loan Agreement and its borrowing of the Loan hereunder and the execution of the Parent Guarantee by the Parent Guarantor do not breach section 4.10 or any other provision of the Indentures or either of them;

(l) the choice of English law to govern the Underlying Documents and the Security Documents (other than the Finance Documents referred to in Clauses 3(g) and 3(h)), and the choice of Greek law to govern the Finance Documents referred to in Clause 3(g) and the submissions by the Security Parties to the jurisdiction of the English courts and the obligations of such Security Parties associated therewith, are valid and binding;

(m) the latest audited and unaudited consolidated financial statements of the Parent Guarantor in respect of the relevant financial year as delivered to the Lender and present or will present fairly and accurately the financial position of the Parent Guarantor and the consolidated financial position of the Group as at the date thereof and the results of the operations of the Parent Guarantor and the consolidated results of the operations of the Group for the financial year ended on such date and, as at such date, neither the Parent Guarantor nor any of its Subsidiaries had any significant liabilities (contingent or otherwise) or any unrealised or anticipated losses which are not disclosed by, or reserved against or provided for in, such financial statements;

(n) no Security Party has incurred or agreed to incur any indebtedness save under the Indentures, this Agreement, or as otherwise disclosed to the Lender in writing;

(o) the Parent Guarantor and the other Security Parties have filed all tax and other fiscal returns required to be filed by any tax authority to which they are subject; and

(p) except for the registration of the Finance Document referred to in sub- Clause 3(h) on each Delivered Ship at the appropriate shipping registry, it is not necessary or advisable to ensure the legality, validity, enforceability or admissibility in evidence of this Loan Agreement and the other relevant Underlying Documents that any of them be filed, recorded or enrolled with any governmental authority or agency or that they be stamped with any stamp, registration or similar transaction tax in the United Kingdom, the Republic of Greece, the Republic of the Marshall Islands, or in any Flag State or in any country where any Security Party carries on business.

10.2 The Borrower hereby further represents and warrants to the Lender that the following matters will be true on the Drawdown Date of the Astra Ship Advance in relation to the Astra Ship and on the Delivery Date of each Delivered Ship (other than the Astra Ship) (each hereinafter

referred to in this Clause 10.2 as the "relevant Delivered Ship") and thereafter they shall remain true throughout the Security Period:

the relevant Delivered Ship will have been unconditionally delivered by the relevant Seller and accepted by the Owner thereof, pursuant to the relevant Contract relating thereto, and the full amount of moneys payable on the Delivery Date of such Delivered Ship under the relevant Contract will have been duly paid to the relevant Seller;

the relevant Delivered Ship will be duly registered in the name of the Owner thereof under the laws and flag of the relevant Flag State;

the relevant Delivered Ship will be in the absolute and unencumbered ownership of the Owner thereof save as contemplated by this Loan Agreement and the other Finance Documents;

the relevant Delivered Ship will at all times be maintained in a seaworthy condition and in good running order and repaired in accordance with first class ship ownership and ship management practice and kept in such condition as will entitle it to be classed at the highest classification status with its Classification Society free of all recommendations and qualifications (other than those which have been or are being complied with in accordance with their terms and which are not by their terms overdue for compliance), follow any interim operational provisos to such recommendations and qualifications and when so requested to provide the Lender with a certificate issued by the relevant Classification Society confirming that such classification is maintained;

the relevant Delivered Ship will be operationally seaworthy;

the relevant Delivered Ship will comply with all relevant laws, regulations and requirements (statutory or otherwise), including without limitation, the ISM Code, the ISPS Code, the ISM Code Documentation and the ISPS Code Documentation as are applicable to (i) ships registered under the laws and flag of the relevant Flag State and (ii) engaged in the same or a similar service as such Delivered Ship is or is to be engaged;

the Finance Document referred to in sub-Clause 3 (h) in respect of the relevant Delivered Ship will have been duly recorded against such Delivered Ship as a valid first priority ship mortgage in accordance with the laws of her Flag State;

the relevant Delivered Ship will be insured in accordance with the provisions of this Loan Agreement in respect of Insurances;

the relevant Delivered Ship will be managed by the Manager under the terms of the Management Agreement, relating thereto;

the Owner of the relevant Delivered Ship and the Manager shall have complied with the provisions of all Environmental Laws in respect of that Owner, the Manager and the relevant Delivered Ship;

the Owner of the relevant Delivered Ship and the Manager shall have obtained all Environmental Approvals and shall be in compliance with all such Environmental Approvals in respect of the relevant Delivered Ship;

the Owner of the relevant Delivered Ship and the Manager shall have not received any notice of any Environmental Claim that alleges that such Owner or the Manager is not in compliance with any Environmental Law or any Environmental Approval in respect of the relevant Delivered Ship;

there shall be no Environmental Claim pending against the Owner of the relevant Delivered Ship and/or the Manager and/or the relevant Delivered Ship; and

no Environmental Incident shall have occurred which could or might give rise to any Environmental Claim against the Owner of the relevant Delivered Ship and/or the Manager and/or the relevant Delivered Ship.

10.3 The Borrower hereby further represents and warrants to the Lender that on each day until full and final repayment in full of all amounts whatsoever payable by the Borrower to the Lender under this Loan Agreement the representations and warranties contained in Clauses 10.1 and 10.2 (updated *mutatis mutandis* to each such date) shall be true and correct as if made at that time.

10.4 The Borrower hereby covenants with and undertakes to the Lender that, throughout the Security Period, the Borrower will and will ensure and procure that each relevant Owner and where appropriate the Parent Guarantor and the Manager will:

(a) carry on and conduct its business in a proper and efficient manner, will duly pay all outgoings as and when they fall due and promptly inform the Lender of any occurrence of which it becomes aware which might adversely affect the ability of any party thereto (with the exception of the Lender) to perform any of its obligations under the Finance Documents or under the Underlying Documents to which it is a party;

(b) make available to the Lender, at the Lender's request from time to time such information as it has or is able to obtain as to the business, affairs and financial condition of the Security Parties and the other members of the Group and in the case of a Builder and a Refund Guarantor such information as it has or is reasonably able to obtain, as the Lender may consider necessary;

(c) ensure that at all times all governmental and other consents, licences, approvals and authorisations required by law for the validity, enforceability, and legality of each of

this Loan Agreement and the Finance Documents and for the performance thereof are obtained and remain in full force and are complied with;

(d) provide the Lender with a report on the progress of the construction of each relevant Newbuilding Ship upon the Lender's request;

(e) ensure that the Security Parties shall at all times comply with all laws and regulations applicable to them;

(f) provide to the Lender (i) within 75 days after the end of each of the first three fiscal quarters in each fiscal year, quarterly reports on SEC Form 6-K (or any successor form) in respect of the Parent Guarantor containing unaudited financial statements (including a balance sheet and statement of income, changes in stockholders' equity and cash flow) and a management's discussion and analysis of financial condition and results of operations (or equivalent disclosure) for and as of the end of such fiscal quarter (with comparable financial statements for the corresponding fiscal quarter of the immediately preceding fiscal year);

(i) within 150 days after the end of each fiscal year of the Parent Guarantor, an annual report on SEC Form 20-F (or any successor form) in respect of the Parent Guarantor containing the information required to be contained therein for such fiscal year;

(ii) at or prior to such times as would be required to be filed or furnished to the SEC if the Parent Guarantor was then a "foreign private issuer'' subject to Section 13(a) or 15(d) of the Exchange Act, all such other reports and information the Parent Guarantor would have been required to file pursuant thereto; and

(iii) a copy of all such information and reports referred to in clauses (1) to (3) (inclusive) of Section 4.17(a) of the Indentures within the time periods specified therein (unless the SEC shall not accept such a filing) and, upon the Lender's request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Provided that, in relation to (i), (ii) and (iii) above, to the extent the Parent Guarantor ceases to qualify as a "foreign private issuer'' within the meaning of the Exchange Act, whether or not the Parent Guarantor is then subject to Section 13(a) or 15(d) of the Exchange Act, the Borrower shall furnish to the Lender, so long as any Notes (as defined in each Indenture) are outstanding, within thirty (30) days of the respective dates on which the Parent Guarantor would be required to file such documents with the SEC if it was required to file such documents under the Exchange Act, all reports and other information that would be required to be filed with (or furnished to) the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act;

(g) deliver to the Lender Compliance Certificates:

on the Drawdown Date of the Advance first to occur and on the earlier of (a) the date on which the quarterly reports are delivered under clause 10(3)(f) and (b) the date falling 75 days after the end of the financial quarter to which they refer, a Compliance Certificate together with such supporting information as the Lender may require; and

simultaneously with delivering the same under the Indentures, a copy of the compliance certificate to be issued and delivered in accordance with Section 4.06 of each Indenture;

(h) ensure compliance with all of the obligations undertaken by the Parent Guarantor for itself and on behalf of each member of the Group under the Indentures which are set out in each Indenture Excerpt and the Borrower further agrees:

(i) any terms defined in each Indenture shall have those meanings when used in the relevant Indenture Excerpt;

(ii) no waiver or variation of any term of the Indentures or either of them by any person shall waive or vary the Borrower's obligations hereunder to comply with the obligations in the relevant Indenture Excerpt, except with the consent of the Lender;

(iii) the Borrower shall continue to be bound by its, or as the case may be, the Parent Guarantor's obligations as set out in each Indenture Excerpt following a Covenant Defeasance (as defined in each Indenture) or a Legal Defeasance (as defined in each Indenture) or other termination or cancellation of the Indentures or either of them; and

(iv) the Borrower will not, and will procure that the Parent Guarantor will not, vary any term of the Indentures or either of them without the prior written consent of the Lender; and

(i) ensure that, subject to the other provisions of this Agreement, on the Delivery Date of each Newbuilding Ship (other than each Newbuilding Ship financed pursuant to Tranche B or any Substitute Ship which substitutes such Newbuilding Ship) all proceeds payable to the relevant Owner in accordance with the provisions of the relevant Post Delivery Documents, save for the proceeds required to be paid over to the relevant Builder on such Delivery Date, shall at the Lender's sole and absolute

discretion either (a) be paid to the Lender and be applied towards mandatory prepayment of the Loan in accordance with Clause 4.5 or (b) be paid to the credit of the Borrower's Pledged Account and remain so credited until the relevant conditions precedent set out in Clauses 2.6, 2.7 and 2.9 have been satisfied.

Notwithstanding anything in this Loan Agreement (i) any terms, transactions or events permitted by the Indenture Excerpts or either of them and (ii) save as otherwise expressly provided in this Agreement, any other terms or transactions or events permitted by the Indentures or either of them shall be deemed to be permitted by this Agreement.

10.5 The Borrower hereby covenants with the Lender that, throughout the Security Period:

10.5.1 the Borrower shall ensure and procure that each relevant Owner will not, without the prior written consent of the Lender (which consent the Lender shall be at full liberty to withhold) otherwise than pursuant to the terms of this Loan Agreement and the other Finance Documents), as appropriate:

(a) mortgage, assign, charge or create or permit to subsist any lien (other than liens arising in the ordinary course of business) on the whole or part of any of its present or future assets (including but without limitation, any Contract or Ship and any other property (real or personal), rights (including but without limitation rights under any Underlying Document), receivables, book debts, bank accounts or choses-in-action);

(b) except as permitted hereunder or disclosed to and agreed by the Lender, borrow any sums of money;

(c) make loans or advances to others or incur any liability to any party other than to the Lender except for loans which are immaterial in the Lender's opinion or advances made or liabilities incurred in the ordinary course of business;

(d) guarantee, endorse or otherwise become or remain liable to a third party for the obligations of any person, firm or corporation, save for the Indentures;

(e) after the date hereof, incur howsoever directly or indirectly any expenditure of a capital nature, except in the ordinary course of its business;

(f) engage in any business wider or different from that now being conducted by it or make any actual or contingent commitment or investment of any kind;

(g) save as otherwise disclosed hereunder repay any indebtedness incurred by it except to the Lender;

(h) pay any dividend or other distributions whatsoever to its shareholders; and

(i) save as otherwise disclosed hereunder establish or maintain any bank accounts in the name of such Owner or otherwise relating to any Ship or the proceeds of the Loan except with the Lender;

10.5.2 the Borrower will not and will ensure and procure that each relevant Owner will not, without the prior written consent of the Lender (which consent the Lender shall be at full liberty to withhold) otherwise than pursuant to the terms of this Loan Agreement and the other Finance Documents), as appropriate:

consolidate with or merge into any other company;

vary any of the terms of any of the Finance Documents; and

vary any of the terms or cancel or rescind or terminate any of the Underlying Documents.

10.6 The Borrower hereby further undertakes with the Lender to ensure and procure that throughout the Security Period each Owner of a Delivered Ship and, where appropriate, the Manager thereof shall comply with the following provisions of this Clause 10.6 except as the Lender may otherwise permit:

(a) to procure that on the Drawdown Date of the Astra Ship Advance in relation to the Astra Ship and/or on the Delivery Date of each other Delivered Ship, such Delivered Ship shall be duly registered under the laws and the flag of the relevant Flag State, in the ownership of the Owner of such Delivered Ship and at all times thereafter, it shall remain duly registered under such laws and flag of the relevant Flag State and not do or suffer to be done anything whereby the registration may be forfeited or imperilled;

(b) to appoint and/or keep the Manager appointed as manager of each Delivered Ship and not vary or terminate this appointment;

(c) without prejudice to sub-clause 10.4(a) not save as contemplated in the Finance Documents, to create, incur or permit to subsist any Encumbrance over any Delivered Ship, the Earnings, the Insurances or the Requisition Compensation thereof;

(d) not at any time to represent to a third party that the Lender is carrying cargo in any Delivered Ship or is in any way connected or associated with an operation or carriage being undertaken by it or have any operational interest in any Delivered Ship;

(e) save for the relevant Charter, not to voyage or time charter any Delivered Ship (whether before, on or after its Delivery Date) or place it under contract for employment (a) for any period which when aggregated with any optional periods of extension contained in the said charter or contract, would exceed six (6) months or (b) at a charter rate which is below the market rate at the time of the charter fixture

and in case of any Delivered Ship being employed for more than six (6) months, after having obtained the Lender's consent, the Lender shall be furnished with (i) details and documentary evidence satisfactory to the Lender in its sole discretion in respect of the new employment, (ii) upon Lender's request, a specific assignment in favour of the Lender of the benefit of such charter together with a notice of any such assignment addressed to the relevant charterer and use its best efforts to procure the delivery to the Lender of an acknowledgement of receipt of such assignment by the relevant charterer all in form and substance satisfactory to the Lender and (iii) upon Lender's request, a specific agreement of subordination of the rights of such charterer to the rights of the Lender;

(f) not to demise charter any Delivered Ship for any period whatsoever;

(g) not without the prior written consent of the Lender to put any Delivered Ship into the possession of any person for the purpose of work being done upon it in an amount exceeding or likely to exceed Five hundred thousand Dollars ($500,000) (or the equivalent in any other currency) unless the Owner thereof shall have satisfied the Lender that the cost of such work is fully recoverable under the Insurances (save for any applicable deductible) or such person shall first have given to the Lender and in terms satisfactory to it a written undertaking not to exercise any lien on that Delivered Ship or its Earnings or Insurances for the cost of such work or otherwise;

(h) to give the Lender reasonable prior notice of any dry-docking of each Delivered Ship so that the Lender (if it so requires) can arrange for a representative to be present;

(i) to notify the Lender of any intended laying-up or de-activation of any Delivered Ship;

(j) to provide the Lender with such copies of the trading certificates of each Delivered Ship as the Lender may from time to time require;

(k) to hold or procure that the Manager shall hold all appropriate ISM Code Documentation and ISPS Code Documentation and provide the Lender upon request from time to time with copies of the relevant ISM Code Documentation and ISPS Code Documentation duly issued to the Owner of each Delivered Ship, the Manager and such Delivered Ship pursuant to the ISM Code and the ISPS Code respectively;

(l) to keep, or procure that there is kept, on board each Delivered Ship a copy of all relevant ISM Code Documentation and ISPS Code Documentation;

(m) as soon as any Owner of a Delivered Ship becomes aware, to inform the Lender immediately should the Document of Compliance and/or the Safety Management Certificate and/or the International Ship Security Certificate issued in connection with the relevant ISM Code Documentation be cancelled, rescinded, suspended or amended in any way;

(n) to notify the Lender promptly upon being made aware thereof upon the occurrence of:

(i) casualty in respect of any Delivered Ship which is or is likely to be or to become a Major Casualty;

1.2.1.1.1 any occurrence as a result of which any Delivered Ship has become or is, by the passing of time or otherwise, likely to become a Total Loss;

(iii) any intended dry docking of any Delivered Ship;

(iv) any Environmental Claim against the Borrower and/or any Owner, the Manager, or any Delivered Ship or any Environmental Incident;

(v) any claim for breach of the ISM Code or the ISPS Code being made against the Borrower and/or any Owner, an ISM Responsible Person, the Manager or otherwise in connection with any Delivered Ship;

(vi) any other matter, event or incident actual or threatened, the effect of which will or could lead to the ISM Code or the ISPS Code not being complied with; and to advise and procure that the Lender advised in writing on a regular basis and in such detail as the Lender shall require of the relevant Owner's, the ISM Responsible Person's, the Manager's or any other person's proposed or actual response to any of those events or matters;

to permit, or procure that the Lender shall have the right at any time on reasonable notice to inspect or survey each Delivered Ship or instruct a duly authorised independent surveyor to carry out such survey on its behalf to ascertain the condition of each Delivered Ship and satisfy itself that each Delivered Ship is being properly repaired and maintained, provided that such inspections shall not unreasonably interfere with such Delivered Ship's running or operation (and the costs of such inspection or survey shall be payable by the Borrower and/or the relevant Owner);

to promptly provide the Lender with information concerning the classification status and insurance of the Delivered Ships from time to time as and when so required in writing by the Lender;

to execute and deliver to the Lender such documents of transfer as the Lender may require in the event of sale of any Delivered Ship pursuant to any power of sale contained in the Finance Document referred to in Clause 3 (h) or which the Lender may have in law;

to provide the Lender with a certificate of ownership and encumbrances relative to each Delivered Ship issued by the relevant registry of the Flag State of such

Delivered Ship and a copy of the entries in the relevant Company's registers relative to Owner of such Delivered Ship, when so requested by the Lender;

upon becoming aware, to notify the Lender immediately by telefax of any recommendation or requirement imposed by the Classification Society, the Insurers or by any other competent authority in respect of any Delivered Ship that is not complied with in accordance with its terms;

to carry on board each Delivered Ship with such Delivered Ship's papers a properly certified copy of the relevant Mortgage and exhibit the same to any person having a legal interest in, or having business with, such Delivered Ship and to any representative of the Lender, and place and keep prominently in the Chart Room and in the Master's cabin of such Delivered Ship a framed notice printed in plain type of such size that the paragraph of reading matter shall cover a space not less than six inches wide and nine inches high reading as follows:

"NOTICE OF MORTGAGE

This Ship is owned by [name of Owner] and is subject to a first [preferred] [priority] mortgage [and deed of covenants collateral thereto] in favour of MARFIN POPULAR BANK PUBLIC CO LTD of the Republic of Cyprus.". Under the terms of said Mortgage, neither the Owner, nor the Master nor any other person has any right, power or authority to create, incur or permit to be imposed upon this Ship any other lien whatsoever other than for crew's wages accrued for not more than three (3) months and salvage.";

to pay when due and payable all taxes, assessments, levies, governmental charges, fines and penalties lawfully imposed on and enforceable against each Delivered Ship;

if any writ or proceedings shall be issued against any Delivered Ship or if any Delivered Ship shall be otherwise attached, arrested or detained by any proceeding in any court or tribunal or by any government or other authority, to immediately notify the Lender thereof by telefax confirmed by letter and within fourteen (14) days thereafter cause that Delivered Ship to be released, save in the case of piracy in which case such Delivered Ship must be released within one hundred and twenty (120) days;

not to cause or permit any Delivered Ship to be operated in any manner contrary to any law or regulation in any relevant jurisdiction including but not limited to the ISM Code and the ISPS Code and not to engage in any unlawful trade or carry any cargo that will expose any Delivered Ship to penalty, forfeiture or capture and in the event of hostilities in any part of the world (whether a war be declared or not) not employ any Delivered Ship or voluntarily suffer its employment in carrying any contraband goods;

to promptly pay all tolls, dues and outgoings in respect of each Delivered Ship and all wages, allotments, insurance and pension contributions of the Master and crew of

such Delivered Ship when due and make all deductions from the wages in respect of any tax liability, accounting to the relevant authority for them and if the Lender at any time has reasonable cause to believe that such payments may not be being made, to produce to the Lender at its request evidence confirming that all such amounts have been paid when due;

at all times to maintain each Delivered Ship in a seaworthy condition and in good running order and repair in accordance with first class ship ownership and ship management practice and keep each Delivered Ship in such condition as will entitle it to be classed at the highest classification status with its Classification Society free of all recommendations and qualifications (other than those which have been or are being complied with in accordance with their terms and which are not by their terms overdue for compliance), follow any interim operational provisos to such recommendations and qualifications and when so requested to provide the Lender with a certificate issued by the relevant Classification Society confirming that such classification is maintained;

to submit each Delivered Ship regularly to such periodical or other surveys as may be required for classification purposes and, if so required by the Lender in writing, supply to the Lender copies of all survey reports issued in respect thereof;

at all times to comply with all legal requirements whether imposed by enactment, regulation, common law or otherwise and have on board each Delivered Ship as and when legally required valid certificates showing compliance therewith;

without prejudice to the generality of sub Clause 10.6 (aa) above, to obtain and maintain any and all Environmental Approvals required in respect of each Delivered Ship and comply or procure that the Manager or any charterer of any Delivered Ship will at all times comply with the ISM Code, the ISPS Code, the ISPS Code Documentation, all Environmental Laws, and all other laws and regulations relating to such Delivered Ship, its ownership, operation, manning and management or to the business of the Owner of such Delivered Ship and/or the Manager;

not to remove or permit the removal of any part of any Delivered Ship or any equipment belonging thereto nor make or permit any alterations to be made in the structure, type or speed of any Delivered Ship which materially reduce the value of such Delivered Ship (unless such removal or alteration is required by statute or by the Classification Society) of such Delivered Ship;

in the event of Compulsory Acquisition of any Delivered Ship to execute any assignment that the Lender may request in relation to any and all amounts which the relevant Government Entity shall be liable to pay as compensation for that Delivered Ship or for its use and if received by the Owner of such Delivered to pay such amounts immediately to the Lender; and

(ee) ensure that all the Earnings of each Delivered Ship shall be paid into the relevant Owner's Earnings Account opened in the name of the Owner of such Delivered Ship.

10.7 The Borrower hereby irrevocably agrees and undertakes to ensure and procure that:

10.7.1 the Lender, or its authorised representatives may, without prior notification, communicate directly with the relevant Classification Society concerning maintenance, repair, classification and seaworthiness of each Delivered Ship, and to the same extent with any regulatory authority having jurisdiction over such Delivered Ship;

10.7.2 each relevant Owner and/or the Manager shall unconditionally authorise the Classification Society or regulatory authority, at the request of the Lender, to give information to it, or its authorised representatives and to conduct inspections and surveys of each Delivered Ship, as if requested by the relevant Owner;

provided that the Lender will not, without prior consultation with therelevant Owner, take any action under this Clause 10.7 unless an Event of Default has occurred.

10.8 The Borrower hereby also undertakes with the Lender to ensure and procure that each relevant Owner and where appropriate the Manager will comply with the following provisions of this Clause 10.8 from the Drawdown Date of the Astra Ship Advance in relation to the Astra Ship and from the Delivery Date in relation to each Delivered Ship (other than the Astra Ship) and at all times during the Security Period, except as the Lender may, otherwise permit, at the expense of the Borrower and/or the relevant Owner and upon such terms and conditions, in such amounts and with such Insurers as shall from time to time be approved in writing by the Lender and, if so required by the Lender (but without, as between the Lender and the Borrower and/or the Manager and/or the relevant Owner, liability on the part of the Lender for premiums or calls) with the Lender named as co-assured:

a. to insure and keep insured each Delivered Ship in Dollars or such other currency as may be approved in writing by the Lender, in the full insurable value of such Delivered Ship but in no event for an aggregate amount which is less than one hundred and thirty per cent (130%) of the outstanding amount of the relevant Additional Ship Advance in respect of such Delivered Ship against fire and usual marine (including Excess Risks) and War Risks covered by hull and machinery policies and War Risks and perils covered by other supplementary hull policies;

b. to enter each Delivered Ship in the name of the Owner thereof for her full value and tonnage against all Protection and Indemnity Risks in a protection and indemnity association approved by the Lender with unlimited liability if available otherwise with the least limited liability for the time being $1,000,000,000 in relation to oil pollution risks and to comply with the rules of such protection and indemnity association from time to time in effect and if so requested by the Lender to obtain excess oil spillage and pollution insurance in excess of the limit of the protection and indemnity association with the highest possible cover;

c. if any Delivered Ship enters the territorial waters of the USA (or other jurisdiction having legislation similar to the US Oil Pollution Act 1990) for any reason whatsoever to take out such additional insurance to cover such risks as may be necessary in order to obtain a Certificate of Financial Responsibility from the United States Coastguard;

d. upon Lender's request, to effect loss of hire and/or Earnings, Insurance on each Delivered Ship (as may be required by the Lender) in respect of charterparties which exceed six (6) months duration and otherwise on such terms and in such amounts as the Lender may instruct the Borrower and/or the relevant Owner as being necessary or appropriate;

e. to pay to the Lender upon first demand all premiums and other amounts payable by the Lender in effecting a mortgagees' interest insurance policy ("MII") and a mortgagees' interest additional perils insurance policy ("MAPI") in relation to each Delivered Ship in the name of the Lender, upon such terms and conditions and with such insurers and for such amounts as the Lender may require;

f. to effect such additional Insurances that shall (in the reasonable opinion of the Lender) be necessary or advisable;

g. to renew the Insurances at least fourteen (14) Business Days before the relevant Insurances expire (or give the Lender evidence satisfactory to it that such Insurances will be renewed upon their stated expiry dates) and to procure that the Approved Insurance Brokers or the Insurers (as the case may be) shall promptly confirm in writing to the Lender the terms and conditions of such renewal as and when the same occurs;

h. punctually to pay all premiums, calls, contributions or other sums payable in respect of the Insurances and to produce evidence of payment when so required in writing by the Lender;

i. to arrange for the execution of such guarantees as may from time to time be required by any Protection and Indemnity or War Risks association;

j. to procure that the Insurance Documents shall be deposited with the Approved Insurance Brokers or the Insurers (as the case may be) and that the Approved Insurance Brokers or the Insurers (as the case may be) shall provide the Lender with pro forma copies thereof and shall issue to the Lender a letter or letters of undertaking in such form as the Lender shall reasonably require;

k. to procure that the Protection and Indemnity and/or War Risks associations in which the Delivered Ships are entered shall provide the Lender with a letter or letters of undertaking in such form as may be reasonably required by the Lender and shall provide the Lender with a copy of the certificate of entry and, if so requested by the

Lender, a copy of each certificate of financial responsibility for pollution by oil or other substances issued by such Protection and Indemnity and/or War Risks association in relation to the Delivered Ships;

l. to procure that the interest of the Lender is endorsed on the Insurance Documents by means of a Notice of Assignment in the form in Schedule 3 to the Finance Document referred to in Clause 3 (i) or such other form as the Lender may require and that the Insurance Documents (including all certificates of entry in any Protection and Indemnity and/or War Risks association) shall contain a loss payable clause during the Security Period in the form in Schedule 4 or Schedule 5 (as may be appropriate) to the Finance Document referred to in Clause 3 (i) or such other form as the Lender may require;

m. to procure that the Insurance Documents shall provide that the lien or set off for unpaid premiums or calls shall be limited to only the premiums or calls due in relation to the Insurances on the Delivered Ships and the Insurers shall not cancel any of the Insurances by reason of non-payment of premium or calls due in respect of other ships or in respect of other insurances and for fourteen (14) days prior written notice to be given to the Lender by the Insurers (such notice to be given even if the Insurers have not received an appropriate enquiry from the Lender) in the event of cancellation or termination of the Insurances and in the event of the non-payment of the premium or calls, the right to pay the said premium or calls within a reasonable time;

n. promptly to provide the Lender with full information regarding any casualties or damage to any Delivered Ship in an amount in excess of Five hundred thousand Dollars ($500,000) or in consequence whereof any Delivered Ship have become or may become a Total Loss;

o. at the request of the Lender to provide the Lender, at the Borrower's cost (but not more often than once in every twelve (12) months), with a detailed report in respect of any Delivered Ship issued by a firm of marine insurance brokers or consultants appointed by the relevant Owner and approved by the Lender in relation to the Insurances;

p. not to do any act nor voluntarily suffer nor permit any act to be done whereby any Insurance shall or may be suspended or avoided and not to suffer nor permit the Delivered Ships or any of them to engage in any voyage nor to carry any cargo not permitted under the Insurances in effect without first obtaining the Insurers' consent for such voyage or the carriage of such cargo and complying with such requirements as to extra premiums or otherwise as the Insurers may prescribe;

q. not to employ the Delivered Ships or any of them, or offer the Delivered Ships or any of them to be employed, otherwise than in conformity with the terms of the Insurance Documents (including any express or implied warranties they contain), without first obtaining the Insurers' consent to such other employment and complying with such

requirements as to extra premiums or otherwise as the Insurers may prescribe, or arranging for additional insurance;

r. (without limitation to the generality of the foregoing) in particular not to permit the Delivered Ships or any of them to enter or trade to any zone which is declared a war zone by any government or by each Delivered Ship's War Risks Insurers unless there shall have been effected by the Owner of each Delivered Ship's and at its expense such special insurance or the consent of the Insurers to enter or trade into such zone is obtained and the relevant Owner is complying with such requirements as to extra premiums or otherwise as the Insurers may prescribe;

s. to procure that all amounts payable under the Insurances are paid in accordance with the relevant loss payable clause under Clause 10.8 sub-clause (l) and to apply all amounts as are paid to the relevant Owner for the purpose of making good the loss and fully repairing all damage in respect of which the said amounts shall have been received; and

t. should any Delivered Ship be laid up for any period, to arrange 'lay-up' Insurances for such Delivered Ship during such period, at the relevant Owner's own cost and upon such terms and conditions, in such amounts and with such Insurers as shall from time to time be approved in writing by the Lender.

10.9(i) If the Lender reasonably requires on or prior the Drawdown Date of the Astra Ship Advance in relation to the Astra Ship and /or on or prior to the Delivery Date of any other Delivered Ship and at anytime and from time to time thereafter (and at least once a year), such Delivered shall be valued in Dollars by one (1) Approved S&P Broker chosen by the Borrower and approved by the Lender, such valuations to be made without physical inspection (unless otherwise required by the Lender), and on the basis of an arm's-length purchase by a willing buyer from a willing seller and without taking into account any charterparty. The fees of the Approved S&P Broker appointed to give such valuation and all other costs arising in connection with the obtaining of any such valuations shall be paid by the Borrower.

(ii)In the event that during the Security Period the Market Value of any Delivered Ship determined pursuant to Clause 10.9 (i) together with the value of any additional security (valued in accordance with normal banking practice) previously provided to the Lender pursuant to this Clause is less than one hundred twenty per cent (120%) of the outstanding principal amount of the Additional Ship Advance pursuant to which such Delivered Ship was financed, at any time, then the Borrower shall within twenty one (21) Business Days of receipt of a notice from the Lender advising the Borrower of the amount of such deficiency (which notice shall be conclusive) **either** provide to the Lender additional security (valued in accordance with normal banking practice) which shall in all respects be satisfactory to the Lender so that the Market Value of the relevant Delivered Ship (determined in accordance with Clause 10.9 (i)) together with the value of any additional security (valued as aforesaid) previously provided to the Lender pursuant to this Clause is at least one hundred twenty per cent (120%) of the outstanding principal amount of the Additional Ship Advance pursuant to which such Delivered Ship was financed or prepay part of such Additional Ship Advance in

accordance with Clause 4 so that the Market Value of the Delivered Ship (determined in accordance with Clause 10.9 (i)) together with the value of any additional security (valued as aforesaid) previously provided to the Lender pursuant to this Clause is at least one hundred twenty per cent (120%) of the outstanding principal amount of the Additional Ship Advance pursuant to which such Delivered Ship was financed.

11. Payments

11.1 All payments by the Borrower shall be made on their due date in Dollars and not later than 11.00 a.m. (London time) without set-off, counterclaim or any deductions whatsoever at such account as the Lender may from time to time nominate by written notice to the Borrower. The Lender shall have the right to change the place or account for payment, upon five (5) Business Days' prior written notice to the Borrower.

11.2 If at any time any applicable law requires the Borrower to make any deduction or withholding of whatsoever nature from any payment due under this Loan Agreement, the sum due from the Borrower in respect of such payment shall be increased to the extent necessary to ensure that after the making of such deduction or withholding, the Lender receives a net sum equal to the sum which it would have received had no such deduction or withholding been required to be made.

11.3 Whenever any payment hereunder shall become due on a day which is not a Business Day, the due date therefor shall be extended to the next succeeding Business Day and all interest and other payment shall be calculated accordingly.

12. Indemnity

12.1 The Borrower shall indemnify the Lender against any financial or monetary loss or expense which the Lender incurs (including, but not limited to, Broken Funding Costs) as a consequence of (i) default in payment of any sum hereunder or other default hereunder or (ii) any repayment made on any date other than the final day of an Interest Period, including in either such case all costs, charges and expenses incurred by the Lender in liquidating or re-employing deposits from third parties acquired to fund the Loan (including, but not limited to, Broken Funding Costs) or (iii) any reserve requirements or any other matter which increases the Lender's cost of funding over the Interest Rate or (iv) failing to borrow after serving notice therefore under Clause 2.

12.2 If any sum due from the Borrower under this Loan Agreement or under any order or judgment given or made in relation hereto has to be converted from the currency (the **"First Currency")** in which the same is payable hereunder or under such order of judgment into another currency (the **"Second Currency")** for the purpose of (i) making or filing a claim or proof against the Borrower, (ii) obtaining an order or judgment in any court or other tribunal or (iii) enforcing any order or judgment given or made in relation hereto, the Borrower shall pay such additional amounts as may be necessary to ensure that the sums paid in the Second Currency when converted at the rate of exchange at which the Lender may in the ordinary

course of business purchase the First Currency with the Second Currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claims or proof will produce the sum then due under this Loan Agreement in the first currency. Any such amount due from the Borrower shall be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Loan Agreement and the term "rate of exchange" includes any premium and costs of exchange payable in connection with the purchase of the First Currency with the Second Currency.

13. Set-Off

The Lender is hereby authorised to combine any and all accounts with it held by the Borrower and to set off such accounts against any sums due and payable by the Borrower hereunder. For that purpose, the Lender is hereby authorised to use all or part of the credit balance on any and all such accounts to buy such other currency or currencies as may be required to enable it to effect any such set-off.

14. Events of Default

14.1 An "Event of Default" shall occur if:

(a) the Borrower fails to pay any sum due on its due date as described herein;

(b) any party to this Loan Agreement or any other Finance Document (other than Lender) defaults in the due performance and observance of any of the terms and conditions hereof or of any other Finance Document to which it is a party and such default is not remedied within fourteen (14) Business Days from the date of its occurrence;

(c) there is an event of default under (and as defined in) any of the Underlying Documents and/or any of the Underlying Documents is (without the Lender's prior written consent) amended or varied in any respect cancelled, repudiated, rescinded or otherwise ceases to be in full force and effect;

(d) there shall occur a default (howsoever therein described) under each Indenture or any indebtedness exceeding Four million Dollars ($4,000,000) in aggregate for all Security Parties is not paid when due or any Indebtedness of any Security Party shall become due and payable or, with the giving of notice or lapse of time or both, capable of being declared due and payable prior to its stated maturity by reason of any circumstance entitling the creditor(s) thereof to declare such indebtedness due and payable and such indebtedness is not paid within fourteen (14) days thereof;

(e) there is a material adverse change in the financial position of any Security Party, any other member of the Group, any Refund Guarantor or any Builder, which in the reasonable opinion of the Lender has a material adverse effect on the ability of the Borrower and/or any Owner to perform its obligations hereunder and/or under any of

the other Finance Documents;

(f) any Security Party or any Builder or any Refund Guarantor suspends payment or stops payment of or is unable to or admits in writing its inability to pay its lawful debts as they mature or any of them enters into a general assignment for the benefit of its creditors or makes any special arrangement or composition with its creditors;

(g) any resolution is passed or any proceedings are commenced for the purpose of or any order (which, once granted, is not discharged or withdrawn within ten (10) days) or judgment is made or given by any court of competent jurisdiction for the liquidation, winding-up or reconstruction while solvent of any Security Party, any Builder or any Refund Guarantor (other than on terms previously approved by the Lender) or for the appointment of a receiver, trustee, conservator or liquidator of all or a substantial part of the undertaking or assets of any Security Party, any Builder or any Refund Guarantor;

(h) there shall occur a “Change of Control” (as defined in each Indenture) or the “Permitted Holder” (as defined in each Indenture) owns less than 20% of the issued share capital of the Parent Guarantor;

(i) any Owner shall sell, transfer, dispose of or encumber its Ship or any interest or share therein, or agree so to do (save in the case of Permitted Liens) without the prior written consent of the Lender;

(j) any Delivered Ship is arrested or detained and such arrest or detention is not released within fourteen (14) days (save in the case of piracy in which case such Delivered Ship must be released within one hundred and twenty (120) days) or an order for the sale of any Delivered Ship is made by a court of competent jurisdiction or the Borrower and/or the relevant Owner ceases to retain possession and/or control of its Delivered Ship for a period in excess of fourteen (14) days; or

(k) any Delivered Ship shall become a Total Loss and the Borrower shall fail to make the mandatory prepayment required to be made under Clause 4.8 in respect of such Total Loss within the time therein set forth.

14.2 Upon the occurrence of an Event of Default and without any prior summons or other notice being necessary, all of which are hereby expressly waived by the Borrower, the Loan and all unpaid interest accrued thereon and all fees and other sums of moneys whatsoever payable to the Lender hereunder or pursuant to the other Finance Documents whether actual or contingent and all interest accrued thereon, shall fall due forthwith upon the Lender’s written demand.

15. Assignment -Change of Lending Office

15.1 The Borrower may not assign its rights or obligations under this Loan Agreement without the prior written consent of the Lender.

15.2 The Lender may, at any time and at no cost whatsoever to the Borrower, assign, transfer or offer participations in all or a proportion of all its participations in the Loan and its rights and obligations hereunder to any other bank or financial institution provided that:

(i) the Lender shall be at liberty to disclose on a confidential basis to any such assignee, transferee or grantee (or to any potential assignee, transferee or grantee) all such information concerning the Borrower, any relevant Contract and any relevant Ship as the Lender deems appropriate; and

(ii) the Borrower shall upon demand by the Lender execute and deliver to the Lender all such documents and do all such acts and things as the Lender may deem necessary or desirable in its absolute discretion for giving full effect to any such assignment, transfer or participation; and

(iii) subject to sub-paragraph 15.2 (ii) hereof, no such assignment transfer or participation shall affect any of the obligations of the Borrower hereunder or under the other Finance Documents.

15.3 The Lender may at any time and from time to time change its lending office in respect of the whole or any part of its participation in the Loan. The Lender shall notify the Borrower of any such change in the lending office as soon as is practicable.

16. Notices

16.1 Unless otherwise specifically provided, any notice under or in connection with any Finance Document shall be given by letter or fax; and references in the Finance Documents to written notices, notices in writing and notices signed by particular persons shall be construed accordingly.

16.2 A notice shall be sent:

(a) to the Borrower at: 85 Akti Miaouli
185 38 Piraeus
Greece
Fax No.: +30 210 4531984

(b) to the Lender at: Marfin Popular Bank Public Co Ltd
134 Limassol Avenue
Strovolos 2025
Nicosia Cyprus
Fax No.: + 35722363900

with a copy to: Marfin Popular Bank Public Co Ltd
Greek Branch, trade name “Marfin Egnatia Bank”
24B Kifissias Avenue
151 25 Maroussi
Attiki, Greece
Fax No: +30 210 6896358

or to such other address as the relevant party may notify the other in writing.

16.3 Subject to Clauses 16.4 and 16.5:

(i) a notice which is delivered personally or posted shall be deemed to be served, and shall take effect, at the time when it is delivered;

(ii) a notice which is sent by fax shall be deemed to be served, and shall take effect, two (2) hours after its transmission is completed.

16.4 However, if under Clause 16.3 a notice would be deemed to be served:

(i) on a day which is not a Business Day in the place of receipt; or

(ii) on such a Business Day, but after 5 p.m. local time;

the notice shall (subject to Clause 16.5) be deemed to be served, and shall take effect, at 9 a.m. on the next day which is such a Business Day.

16.5 Clauses 16.3 and 16.4 do not apply if the recipient of a notice notifies the sender within one (1) hour after the time at which the notice would otherwise be deemed to be served that the notice has been received in a form, which is illegible in a material respect.

16.6 A notice under or in connection with a Finance Document shall not be invalid by reason that the manner of serving it does not comply with the requirements of this Loan Agreement or, where appropriate, any other Finance Document under which it is served if the failure to serve it in accordance with the requirements of this Loan Agreement or other Finance Document, as the case may be, has not caused any party to suffer any significant loss or prejudice.

16.7 Any notice under or in connection with a Finance Document shall be in English.

16.8 In this Clause “notice” includes any demand, consent, authorisation, approval, instruction, waiver or other communication.

17. Law and Jurisdiction

17.1 This Loan Agreement and any non-contractual obligations connected with it shall be governed by, and construed in accordance with, English law.

17.2 Subject to Clause 17.3, the courts of England shall have exclusive jurisdiction to settle any disputes, which may arise out of or in connection with this Loan Agreement and any non-contractual obligations connected with it.

17.3 Clause 17.2 is for the exclusive benefit of the Lender, which reserves the right:

(i) to commence proceedings in relation to any matter which arises out of or in connection with this Loan Agreement in the courts of the Republic of Greece and/or any country other than England or Greece and which have or claim jurisdiction to that matter; and

(ii) to commence such proceedings in the courts of any such country or countries concurrently with or in addition to proceedings in England or Greece or without commencing proceedings in England or Greece.

The Borrower shall not commence any proceedings in any country other than England in relation to a matter, which arises out of or in connection with this Loan Agreement and any non-contractual obligations connected with it.

17.4 The Borrower irrevocably appoints HFW Nominees Ltd., with offices at Friary Court, 65 Crutched Friars, London EC3N 3AE, England, to act as its agent to receive and accept on their behalf any process or other document relating to any proceedings in the English courts which are connected with this Loan Agreement and any non-contractual obligations connected with it.

17.5 The Borrower irrevocably designates and appoints Mrs. Vasiliki Papaefthymiou, an Attorney-at-law with offices at 85 Akti Miaouli, 185 38 Piraeus, Greece, as agent for the service of process in Greece (“*antiklitos*”) and agree to consider any legal process or any demand or notice made served by or on behalf of the Lender on the said agent as being made to the Borrower. The designation of such an authorized agent (“*antiklitos*”) shall remain irrevocable until all Indebtedness shall have been paid in full in accordance with the terms of this Loan Agreement and the other Finance Documents.

17.6 Nothing in this Clause 17 shall exclude or limit any right which the Lender may have (whether under the law of any country, an international convention or otherwise) with regard to the bringing of proceedings, the service of process, the recognition or enforcement of a judgment or any similar or related matter in any jurisdiction.

17.7 In this Clause 17, “proceedings” means proceedings of any kind, including an application for a provisional or protective measure or enforcement court order (*diatagi pliromis*).

18. Miscellaneous

The Lender may perform all or any of its functions under the Finance Documents through any

office or branch which it may from time to time select and notify to the Borrower or through any kind of agent or sub-agent and, in particular, by power of attorney or otherwise delegate the exercise of any of its powers and discretions under and in connection with the Finance Documents to any person on such terms (as to duration, sub-delegation, remuneration, exoneration and otherwise) as it may consider appropriate.

AS WITNESS the hands of the duly authorised officers or attorneys of the parties hereto the day and year first before written.

EXECUTION PAGE

BORROWER

SIGNED by Todd Johnson	) /s/ Todd Johnson
for and on behalf of	)
NAVIOS SHIPMANAGEMENT INC.	)
in the presence of:	)
/s/ Anna Zois	
Anna Zois	
V&P Law Firm	
15 Filikis Eterias Square	
106 73 Athens, Greece	

LENDER

SIGNED by Vasiliki Katsouli	) /s/ Vasiliki Katsouli
for and on behalf of	)
MARFIN POPULAR BANK PUBLIC CO LTD	)
in the presence of:	)
/s/ Anna Zois	
Anna Zois	
V&P Law Firm	
15 Filikis Eterias Square	
106 73 Athens, Greece	

Exhibit 10.3

ADMINISTRATIVE SERVICES AGREEMENT

THIS AGREEMENT is entered into on, and effective as of, the Closing Date (as defined herein), by and between NAVIOS SOUTH AMERICAN LOGISTICS INC., a company duly organized and existing under the laws of the Marshall Islands with its registered office at Luis A. de Herrera 1248, World Trade Center, Torre B, Montevideo, Uruguay ("Navios Logistics") and NAVIOS MARITIME HOLDINGS INC., a company duly organized and existing under the laws of the Marshall Islands with its registered office at 85 Akti Miaouli Street, Piraeus, Greece 185 38 ("Navios Holdings").

WHEREAS:

A. Navios Logistics and Navios Holdings had previously entered into a Transition Services Agreement, in connection with the potential spin-off of shares of Navios Logistics ("Transition Services Agreement");

B. Navios Logistics and Navios Holdings desire to terminate the Transition Services Agreement as of the Closing Date, and enter into this Agreement to identify the administrative support services that Navios Holdings will provide to Navios Logistics; and

C. Navios Logistics wishes to engage Navios Holdings to identify and provide the administrative support services to Navios Logistics on the terms set out herein.

NOW THEREFORE, the parties agree that, in consideration for Navios Holdings providing the administrative support services set forth in Schedule "A" to this Agreement (the "Services"), and subject to the Terms and Conditions set forth in Article I attached hereto, Navios Logistics shall reimburse Navios Holdings, including reasonably allocable overhead including time for employees performing services on behalf of Navios Logistics, for the costs and expenses reasonably incurred by Navios Holdings in the manner provided for in Schedule "B" to this Agreement (the "Costs and Expenses").

IN WITNESS WHEREOF the Parties have executed this Agreement by their duly authorized signatories with effect on the date first above written.

NAVIOS SOUTH AMERICAN LOGISTICS INC.

By: /s/ Ioannis Karyotis
Name: Ioannis Karyotis
Title: Chief Financial Officer

NAVIOS MARITIME HOLDINGS INC.

By: /s/ Angeliki Frangou
Name: Angeliki Frangou
Title: Chief Executive Officer

ARTICLE I
TERMS AND CONDITIONS

Section 1. Definitions. In this Agreement, the term:

"Change of Control" means with respect to any entity, an event in which securities of any class entitling the holders thereof to elect a majority of the members of the board of directors or other similar governing body of the entity are acquired, directly or indirectly, by a "person" or "group" (within the meaning of Sections 13(d) or 14(d)(2) of the Exchange Act), who did not immediately before such acquisition own securities of the entity entitling such person or group to elect such majority (and for the purpose of this definition, any such securities held by another person who is related to such person shall be deemed to be owned by such person);

"Closing Date" means the closing date of the offering of the senior notes contemplated by Navios Logistics;

"Costs and Expenses" has the meaning set forth on the signature page to this Agreement; and

"Navios Logistics Group" means Navios Logistics and subsidiaries of Navios Logistics.

Section 2. General. Navios Holdings shall provide all or such portion of the Services, in a commercially reasonable manner, as Navios Logistics may from time to time direct, all under the supervision of Navios Logistics.

Section 3. Covenants. During the term of this Agreement Navios Holdings shall:

(a) diligently provide or sub-contract for the provision of (in accordance with Section 19 hereof) the Services to Navios Logistics as an independent contractor, and be responsible to Navios Logistics for the due and proper performance of same;

(b) retain at all times a qualified staff so as to maintain a level of expertise sufficient to provide the Services; and

(c) keep full and proper books, records and accounts showing clearly all transactions relating to its provision of Services in accordance with established general commercial practices and in accordance with United States generally accepted accounting principles, and allow Navios Logistics and its representatives and its auditors to audit and examine such books, records and accounts at any time during customary business hours.

Section 4. Non-exclusivity. Navios Holdings and its employees may provide services of a nature similar to the Services to any other person. There is no obligation for Navios Holdings to provide the Services to Navios Logistics on an exclusive basis.

Section 5. Confidential Information. Navios Holdings shall be obligated to keep confidential, both during and after the term of this Agreement, all information it has acquired or developed in the course of providing Services under this Agreement, except to the extent disclosure of such information is required by applicable law, including without limitation U.S.

securities laws. Navios Logistics shall be entitled to any equitable remedy available at law or equity, including specific performance, against a breach by Navios Holdings of this obligation. Navios Holdings shall not resist such application for relief on the basis that Navios Logistics has an adequate remedy at law, and Navios Holdings shall waive any requirement for the securing or posting of any bond in connection with such remedy.

Section 6. Reimbursement of Costs and Expenses. In consideration for Navios Holdings providing the Services, Navios Logistics shall reimburse Navios Holdings the Costs and Expenses in the manner provided in Schedule "B" to this Agreement.

Section 7. General Relationship Between The Parties. The relationship between the parties is that of independent contractor. The parties to this Agreement do not intend, and nothing herein shall be interpreted so as, to create a partnership, joint venture, employee or agency relationship between Navios Holdings and any one or more of Navios Logistics or any member of the Navios Logistics Group.

Section 8. Indemnity. Navios Logistics shall indemnify and hold harmless Navios Holdings and its employees and agents against all actions, proceedings, claims, demands or liabilities which may be brought against them due to this Agreement including, without limitation, all actions, proceedings, claims, demands or liabilities brought under the environmental laws of any jurisdiction, and against and in respect of all costs and expenses (including legal costs and expenses on a full indemnity basis) they may suffer or incur due to defending or settling same, provided however that such indemnity shall exclude any or all losses, actions, proceedings, claims, demands, costs, damages, expenses and liabilities whatsoever which may be caused by or due to the fraud, gross negligence or willful misconduct of Navios Holdings or its employees or agents.

Section 9. NO CONSEQUENTIAL DAMAGES. NEITHER NAVIOS HOLDINGS NOR ANY OF ITS AFFILIATES SHALL BE LIABLE FOR INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES SUFFERED BY NAVIOS LOGISTICS, OR FOR PUNITIVE DAMAGES, WITH RESPECT TO ANY TERM OR THE SUBJECT MATTER OF THIS AGREEMENT, EVEN IF INFORMED OF THE POSSIBILITY THEREOF IN ADVANCE. THIS LIMITATION APPLIES TO ALL CAUSES OF ACTION, INCLUDING, WITHOUT LIMITATION, BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, FRAUD, MISREPRESENTATION AND OTHER TORTS.

Section 10. Term And Termination. This Agreement shall have an initial term of five (5) years unless terminated by either party hereto on not less than one hundred and twenty (120) days notice if:

(a) in the case of Navios Logistics, there is a Change of Control of Navios Holdings;

(b) in the case of Navios Holdings, there is a Change of Control of Navios Logistics;

(c) the other party breaches this Agreement;

(d) a receiver is appointed for all or substantially all of the property of the other party;

(e) an order is made to wind-up the other party;

(f) a final judgment, order or decree which materially and adversely affects the ability of the other party to perform this Agreement shall have been obtained or entered against that party and such judgment, order or decree shall not have been vacated, discharged or stayed; or

(g) the other party makes a general assignment for the benefit of its creditors, files a petition in bankruptcy or for liquidation, is adjudged insolvent or bankrupt, commences any proceeding for a reorganization or arrangement of debts, dissolution or liquidation under any law or statute or of any jurisdiction applicable thereto or if any such proceeding shall be commenced.

This Agreement may be terminated by either party hereto on not less than three hundred and sixty-five (365) days notice for any reason other than any of the reasons set forth in the immediately preceding paragraph. This Agreement shall not become effective unless and until the Closing Date has occurred.

Section 11. Costs and Expenses Upon Termination. Upon termination of this Agreement in accordance with Section 10 hereof, Navios Logistics shall be obligated to pay Navios Holdings any and all amounts payable pursuant to Section 6 hereof for Services provided prior to the time of termination.

Section 12. Surrender Of Books And Records. Upon termination of this Agreement, Navios Holdings shall forthwith surrender to Navios Logistics any and all books, records, documents and other property in the possession or control of Navios Holdings relating to this Agreement and to the business, finance, technology, trademarks or affairs of Navios Logistics and any member of the Navios Logistics and, except as required by law, including, without limitation, U.S. securities laws, shall not retain any copies of same.

Section 13. Force Majeure. Neither party shall be liable for any failure to perform this Agreement due to any cause beyond its reasonable control.

Section 14. Entire Agreement. This Agreement forms the entire agreement between the parties with respect to the subject matter hereof and supersedes and replaces all previous agreements, written or oral, with respect to the subject matter hereof.

Section 15. Severability. If any provision herein is held to be void or unenforceable, the validity and enforceability of the remaining provisions herein shall remain unaffected and enforceable.

Section 16. Currency. Unless stated otherwise, all currency references herein are to United States Dollars.

Section 17. Law And Arbitration. This Agreement shall be governed by the laws of England. Any dispute under this Agreement shall be put to arbitration in England, a jurisdiction to which the parties hereby irrevocably submit.

Section 18. Notice. Notice under this Agreement shall be given (via hand delivery or facsimile) as follows:

If to Navios Logistics:

Luis A de Herrera 1248
World Trade Center, Torre B
Montevideo, Uruguay
Attn: Claudio Lopez
Fax: +(30) 210 453-1984

If to Navios Holdings*:*

85 Akti Miaouli Street
Piraeus, Greece 185 38
Attn: Vasiliki Papaefthymiou
Fax: +(30) 210 453-1984

Section 19. Sub-contracting And Assignment. Navios Holdings shall not assign this Agreement to any party that is not a subsidiary or affiliate of Navios Holdings except upon written consent of Navios Logistics. Navios Holdings may freely sub-contract or sub-license this Agreement, so long as Navios Holdings remains liable for performance of the Services and its obligations under this Agreement.

Section 20. Waiver. The failure of either party to enforce any term of this Agreement shall not act as a waiver. Any waiver must be specifically stated as such in writing.

Section 21. Counterparts. This Agreement may be executed in one or more signed counterparts, facsimile or otherwise, which shall together form one instrument.

SCHEDULE A
SERVICES

Navios Logistics shall have complete power and authority, which it may exercise in its sole discretion, to approve, adopt, implement and execute the matters set forth below, it being understood that the sole function of Navios Holdings is to provide administrative support as and when requested by Navios Logistics as described below, subject to the ultimate oversight and authority of Navios Logistics.

Navios Holdings shall provide such of the following administrative support services (the "Services") to Navios Logistics, as Navios Logistics may from time to time request and direct Navios Holdings to provide pursuant to Section 2:

(a) Keep and maintain at all times books, records and accounts which shall contain particulars of receipts and disbursements relating to the assets and liabilities of Navios Logistics and such books, records and accounts shall be kept pursuant to normal commercial practices that will permit Navios Logistics to prepare or cause to be prepared financial statements in accordance with U.S. generally accepted accounting principles and in each case shall also be in accordance with those required to be kept by Navios Logistics under applicable federal securities laws and regulations in the United States and as Navios Logistics is required to keep and file under applicable foreign taxing regulations and the U.S. Internal Revenue Code of 1986 and the regulations applicable with respect thereto, all as amended from time to time;

(b) Prepare all such returns, filings and documents, for review and approval by Navios Logistics as may be from time to time be requested or instructed by Navios Logistics; and file such documents, as applicable, as directed by Navios Logistics with the relevant authority;

(c) Provide, or arrange for the provision of, advisory services to Navios Logistics with respect to Navios Logistics' obligations under applicable securities laws and regulations in the United States and assist Navios Logistics in arranging for compliance with continuous disclosure obligations under applicable securities laws and regulations and the rules and regulations of the New York Stock Exchange and any other securities exchange upon which Navios Logistics' securities are listed, including the preparation for review, approval and filing by Navios Logistics of reports and other documents with all applicable regulatory authorities, providing that nothing herein shall permit or authorize Navios Holdings to act for or on behalf of Navios Logistics in its relationship with regulatory authorities except to the extent that specific authorization may from time to time be given by Navios Logistics;

(d) Provide, or arrange for the provision of, advisory, clerical and investor relations services to assist and support Navios Logistics in its communications with its security holders, including in connection with disclosures that may be required for regulatory compliance to its security holders and the wider financial markets, as

Navios Logistics may from time to time request or direct, provided that nothing herein shall permit or authorize Navios Holdings to determine the content of any such communications by Navios Logistics to its security holders and the wider financial markets;

(e) At the request and under the direction of Navios Logistics, handle, or arrange for the handling of, all administrative and clerical matters in respect of (i) the call and arrangement of all meetings of the security holders, (ii) the preparation of all materials (including notices of meetings and information circulars) in respect thereof and (iii) the submission of all such materials to Navios Logistics in sufficient time prior to the dates upon which they must be mailed, filed or otherwise relied upon so that Navios Logistics has full opportunity to review them, approve them, execute them and return them to Navios Holdings for filing or mailing or other disposition as Navios Logistics may require or direct;

(f) Arrange for the provision of such audit, accounting, legal, insurance and other professional services as are reasonably required by Navios Logistics from time to time in connection with the discharge of its responsibilities in connection with becoming a U.S. public company, to the extent such advice and analysis can be reasonably provided or arranged by Navios Holdings, provided that nothing herein shall permit Navios Holdings to select the auditor of Navios Logistics, which shall be selected by the audit committee of Navios Logistics, and in particular Navios Holdings will not have any of the authorities, rights or responsibilities of the audit committee of Navios Logistics, but shall provide, or arrange for the provision of, information to such committee as may from time to time be required or requested; and provided further that nothing herein shall entitle Navios Holdings to retain legal counsel for Navios Logistics unless such selection is specifically approved by Navios Logistics;

(g) Provide, or arrange for the provision of, such assistance and support as Navios Logistics may from time to time request in connection with any new or existing financing for Navios Logistics, such assistance and support to be provided in accordance with the direction, and under the supervision of Navios Logistics;

(h) Provide, or arrange for the provision of, such administrative and clerical services as may be required by Navios Logistics to support and assist Navios Logistics in considering any future acquisitions or divestments of assets of Navios Logistics, all under the direction and under the supervision of Navios Logistics;

(i) Provide, or arrange for the provision of, such support and assistance to Navios Logistics as Navios Logistics may from time to time request in connection with any future offerings of securities that Navios Logistics may at any time determine is desirable for Navios Logistics, all under the direction and supervision of Navios Logistics;

(j) Provide, or arrange for the provision of, at the request and under the direction of Navios Logistics, such communications to the transfer agent for Navios Logistics as may be necessary or desirable;

(k) Prepare and provide, required information for review by Navios Logistics, so as to permit and enable Navios Logistics to make all determinations of financial matters, including the determination of amounts available for distribution by Navios Logistics to its security holders, and to assist Navios Logistics in making arrangements with the transfer agent for Navios Logistics for the payment of distributions to its security holders;

(l) Provide, or arrange for the provision of, such assistance to Navios Logistics as Navios Logistics may request or direct with respect to the performance of the obligations, and to provide monitoring of various obligations and rights, under agreements entered into by Navios Logistics and provide advance reports on a timely basis to Navios Logistics advising of steps, procedures and compliance issues under such agreements, so as to enable Navios Logistics to make all such decisions as would be necessary or desirable thereunder;

(m) Provide, or arrange for the provision of, such additional administrative and clerical services pertaining to Navios Logistics, the assets and liabilities of Navios Logistics and its security holders and matters incidental thereto as may be reasonably requested by Navios Logistics from time to time;

(n) Negotiate and arrange, at the request and under the direction of Navios Logistics, for interest rate swap agreements, foreign currency contracts, forward exchange contracts and any other hedging arrangements;

(o) Negotiate, at the request and under the direction of Navios Logistics, loan and credit terms with lenders and monitor and maintain compliance therewith; and

(p) Monitor the performance of investment managers.

SCHEDULE B

COSTS AND EXPENSES

Within forty-five (45) days after the end of each month, Navios Holdings shall submit to Navios Logistics for payment an invoice for reimbursement of all Costs and Expenses in connection with the provision of the Services listed in Schedule "A" by Navios Holdings to Navios Logistics for such month. Each statement will contain such supporting detail as may be reasonably required to validate such amounts due.

Navios Logistics shall make payment within fifteen (15) days of the date of each invoice (any such day on which a payment is due, the "Due Date"). All invoices for Services are payable in U.S. dollars. All amounts not paid within 10 days after the Due Date shall bear interest at the rate of 1.00% per annum over US$ LIBOR from such Due Date until the date payment is received in full by Navios Holdings.

Exhibit 10.4

LETTER OF AMENDMENT Nr. 1
TO AN AGREEMENT DATED 7 SEPTEMBER 2010

Dated as of 21st October 2010

To: **NAVIOS MARITIME ACQUISITION CORPORATION**
Trust Company Complex Ajeltake Road
Ajeltake Island
Majuro-Marshall Islands
(the "**Borrower**")

Att: Mr. Leonidas Korres

Dear Sirs,

Re: Agreement dated 7 September 2010 (together with all amendments thereto or supplements thereof the " **Agreement**") made between the Borrower and Navios Maritime Holdings Inc. of the Republic of the Marshall Islands (" **Navios**").

We refer to the Agreement and all terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

In view of your request to borrow the Loan or any part thereof in multiple advances and to the extent that you prepay any sums borrowed in respect of the Loan, to be entitled to reborrow the amount so prepaid, we hereby agree as follows:

To amend the following clauses of the Agreement to read as follows:

"4.1 The Borrower must provide NAVIOS with a Drawdown Notice at least one Business Day before stating the date on which NAVIOS is to make the Loan or any part thereof available to the Borrower (the **Term Date**) and to be credited to an account to be nominated by the Borrower.";

"4.2 The Loan may be borrowed in multiple advances." ; and

"5.2 The Borrower may prepay the Loan (and any interest accrued thereon) in full or in part at any time provided however that unless Navios otherwise requires and subject to the other provisions of this Agreement (including, without limitation, clauses 5.1 and 11) any sums so prepaid and applied against the Loan shall be available for reborrowing hereunder. The Borrower must give NAVIOS three (3) Business Day's written notice of its intention to repay in accordance with this clause."

All other terms of the Agreement shall remain unaltered and in full force and effect.

It is hereby expressly stated that notwithstanding the amendments and/or additions to the Agreement referred to in this letter of amendment nr.1 all the Finance Documents shall remain in full force and effect.

Please confirm your agreement to the terms and conditions of this letter of amendment nr.1 by signing the enclosed copy of this letter of amendment nr.1 and returning it to us.

Yours faithfully,

NAVIOS MARITIME HOLDINGS INC.

By: /s/ George Akhniotis
Name: George Akhniotis
Title: Duly Authorized Director

We hereby agree to and accept this letter of amendment nr.1.

Date: 27th October 2010

NAVIOS MARITIME ACQUISITION CORPORATION

By: /s/ Leonidas Korres
Name: Leonidas Korres
Title: Duly authorized Director

Exhibit 99.1

Furnished pursuant to Section 4.17 of the Indenture governing the 9¼% Senior Notes due 2019

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

FORM 6-K

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

Dated: May 25, 2011

Commission File No. _____

NAVIOS SOUTH AMERICAN LOGISTICS INC.

Luis A. de Herrera 1248, World Trade Center, Torre B, Montevideo, Uruguay
(Address of Principal Executive Offices)

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

Form 20-F ☐ Form 40-F ☐

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

Yes ☐ No ☐

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

Yes ☐ No ☐

Operating and Financial Review and Prospects

The following is a discussion of the financial condition and results of operations of Navios South American Logistics Inc. ("Navios Logistics" or the "Company") for the three month periods ended March 31, 2011 and 2010. 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 condensed consolidated financial statements including the notes to those financial statements for the periods mentioned above which are included elsewhere in this report.

This report contains forward-looking statements. These forward-looking statements are based on Navios Logistics' current expectations and observations. See "Forward-Looking Statements" and "Risk Factors" in the annual report on Form 20-F of Navios Maritime Holdings Inc. ("Navios Holdings") for the year ended December 31, 2010 for the factors that, in Navios Logistics' view, could cause actual results to differ materially from the forward-looking statements contained in this report.

This Exhibit 99.1 is being furnished solely in connection with Navios Logistics' reporting obligations under the Indenture governing the Senior Notes (as defined below).

Recent Developments

$200.0 million 9.25% Senior Notes Due 2019

On April 12, 2011, Navios Logistics and its wholly-owned subsidiary Navios Logistics Finance (US) Inc. ("Logistics Finance" and, together with Navios Logistics, the "Co-Issuers") issued $200.0 million in senior unsecured notes (the "Senior Notes") due on April 15, 2019 at a fixed rate of 9.25%. The Senior Notes are fully and unconditionally guaranteed, jointly and severally, by all of Navios Logistics' direct and indirect subsidiaries except for Thalassa Energy S.A., HS Tankers Inc., HS Navigation Inc., HS Shipping Ltd. Inc., HS South Inc., Hidronave South American Logistics S.A. and Navios Logistics Finance (US) Inc. The Co-Issuers have the option to redeem the notes in whole or in part, at their option, at any time (i) before April 15, 2014, at a redemption price equal to 100% of the principal amount plus the applicable make-whole premium plus accrued and unpaid interest, if any, to the redemption date and (ii) on or after April 15, 2014, at a fixed price of 106.938%, which price declines ratably until it reaches par in 2017. At any time before April 15, 2014, the Co-Issuers may redeem up to 35% of the aggregate principal amount of the Senior Notes with the net proceeds of an equity offering at 109.25% of the principal amount of the notes, plus accrued and unpaid interest, if any, to the redemption date so long as at least 65% of the originally issued aggregate principal amount of the notes remains outstanding after such redemption. In addition, upon the occurrence of certain change of control events, the holders of the Senior Notes will have the right to require the Co-Issuers to repurchase some or all of the notes at 101% of their face amount, plus accrued and unpaid interest to the repurchase date.

Under a registration rights agreement, the Co-Issuers and the subsidiary guarantors are obliged to file a registration statement prior to January 7, 2012, that enables the holders of the Senior Notes to exchange the privately placed notes with publicly registered notes with identical terms. The Senior Notes contain covenants which, among other things, limit the incurrence of additional indebtedness, issuance of certain preferred stock, the payment of dividends, redemption or repurchase of capital stock or making restricted payments and investments, creation of certain liens, transfer or sale of assets, entering in transactions with affiliates, merging or consolidating or selling all or substantially all of Navios Logistics' properties and assets and creation or designation of restricted subsidiaries.

The net proceeds from the Senior Notes were approximately $194.0 million, after deducting fees and estimated expenses relating to the offering. The net proceeds from the Senior Notes will be used to (i) repay existing indebtedness, including any indebtedness of Navios Logistics' non-wholly owned subsidiaries excluding Hidronave South American Logistics S.A. ("non-wholly owned subsidiaries"), (ii) purchase barges and pushboats and (iii) to the extent there are remaining proceeds after the uses in (i) and (ii), for general corporate purposes. Any repayments of indebtedness of Navios Logistics' non-wholly owned subsidiaries' may require an agreement with its non-wholly owned subsidiaries partners. There can be no assurance as to the actual amount of any such debt repayment out of the proceeds of the Senior Notes. In any event, any amounts not used to repay such indebtedness within 180 days of the closing of the Senior Notes will be used, together with other resources, to fund the purchase option for the assets underlying its capital lease obligations, resulting in a termination of amounts owing under the capital lease. On April 12, 2011, Navios Logistics, used the proceeds from the Senior Notes to fully repay the $70.0 million loan facility with Marfin Popular Bank.

Construction of new Drying and Conditioning Facility in Navios Logistics' Dry Port

During the first quarter of 2010, Navios Logistics began the construction of a grain drying and conditioning facility at its dry port facility in Nueva Palmira, Uruguay. The facility, which is expected to be operative by the end of May 2011, was financed with funds generated by Navios Logistics' dry port operations. Navios Logistics paid $3.0 million during the year ended December 31, 2010 and $0.6 million during the three month period ended March 31, 2011 to construct this facility, which is focused primarily on Uruguayan soy for export and is expected to efficiently serve the needs of its clients for grain products that meet the quality standards imposed by international buyers.

Acquisition of pushboats

On April 15, 2011, Navios Logistics used a portion of the proceeds from the Senior Notes to pay $8.7 million for the acquisition and upgrading of two pushboats named William Hank and Lonny Fugate and, on May 2, 2011, the Company used a portion of such proceeds to pay $0.6 million, representing a deposit on the purchase price for the acquisition of the pushboat named WW Dyer.

Overview

General

Navios Logistics has been incorporated under the laws of the Republic of the Marshall Islands since December 17, 2007. Navios Logistics is an end-to-end logistics and port terminal business conducting operations in the Hidrovia region of South America and is focused on providing its customers with integrated transportation, storage and related services.

On January 1, 2008, pursuant to a share purchase agreement, Navios Holdings contributed (i) $112.2 million in cash and (ii) the authorized capital stock of its wholly owned subsidiary Corporacion Navios Sociedad Anonima ("CNSA") in exchange for the issuance and delivery of 12,765 of Navios Logistics' shares, representing 63.8% (or 67.2% excluding contingent consideration) of Navios Logistics' outstanding stock. Navios Logistics acquired all ownership interests in the Horamar Group ("Horamar") in exchange for (i) $112.2 million in 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 (ii) the issuance of 7,235 of Navios Logistics' shares representing 36.2% (or 32.8% excluding contingent consideration) of Navios Logistics' outstanding stock, of which 1,007 shares were kept in escrow pending attainment of certain EBITDA targets. CNSA owned and operated the largest bulk transfer and storage port terminal in Uruguay. Horamar was a privately held Argentina-based group specializing in the transportation and storage of liquid cargoes and the transportation of drybulk cargoes in South America along the Hidrovia river system.

In November 2008, $2.5 million in cash and 503 shares were released from escrow when Horamar achieved the interim EBITDA target. As a result, Navios Holdings owned 65.5% (excluding 504 shares that remained in escrow as of such November 2008 date) of Navios Logistics' stock.

On March 20, 2009, August 19, 2009, and December 30, 2009, the agreement pursuant to which Navios Logistics acquired CNSA and Horamar was amended to postpone until June 30, 2010 the date for determining whether the EBITDA target was achieved. On June 17, 2010, $2.5 million in cash and the 504 shares remaining in escrow were released from escrow upon the achievement of the EBITDA target threshold. Following the release of the remaining shares that were held in escrow, Navios Holdings currently owns 63.8% of Navios Logistics' stock.

The 1,007 shares held in escrow have been reflected as part of Navios Logistics' outstanding shares from the date of issuance since these shares were irrevocably issued on January 1, 2008 with the identity of the ultimate recipient to be determined at a future date. Following the achievement of the EBITDA targets mentioned above, the shares were delivered to Horamar shareholders.

Navios Logistics is one of the largest logistics companies in the Hidrovia region of South America, serving the storage and marine transportation needs of Navios Logistics' customers through two port storage and transfer facilities, one for dry bulk commodities and the other for refined petroleum products, and a diverse fleet, consisting of vessels,

barges and pushboats. Navios Logistics has combined its ports in Uruguay and Paraguay with its versatile fleet to create an end-to-end logistics solution for customers seeking to transport mineral and grain commodities and liquid cargoes through the Hidrovia region. Navios Logistics provides transportation for liquid cargo (hydrocarbons such as crude oil, gas oil, naphtha, fuel oil and vegetable oils), liquefied cargo (liquefied petroleum gas (LPG)) and dry cargo (cereals, cotton pellets, soybeans, wheat, limestone (clinker), mineral iron, and rolling stones).

Ports

Navios Logistics owns two port storage and transfer facilities, one for agricultural, forest and mineral-related exports and the other for refined petroleum products. Navios Logistics' port facility in Nueva Palmira, Uruguay moved 0.9 million tons of dry cargo in the three month period ended March 31, 2011, as compared to 0.7 million tons of dry cargo in the same period in 2010, and its port facility in San Antonio, Paraguay moved approximately 51,500 cubic meters of liquid fuels (primarily diesel and naphtha) in the three month period ended March 31, 2011 as compared to approximately 71,500 cubic meters in the same period in 2010.

Fleet

Navios Logistics current core fleet consists of a total of 236 vessels, barges and pushboats. Navios Logistics owns four product tanker vessels totaling 47,482 dwt, two self-propelled barges with a capacity of 11,600 cubic meters, two small inland oil tankers totaling 3,900 dwt, 157 dry barges totaling 212,000 dwt, three LPG barges with a capacity of 4,752 cubic meters, 22 tank barges with a capacity of 66,800 cubic meters, and 19 pushboats (including the William Hank and the Lonny Fugate).

The rest of its current core fleet is chartered-in under long-term charter-in contracts with an average remaining duration of approximately 1.4 years. Long-term charter-in contracts are considered those with duration of more than one year at inception. Navios Logistics currently has entered into charter-in contracts having a minimum remaining duration of 0.5 years and maximum remaining duration of 2.5 years. Navios Logistics charters-in and operates a fleet of 22 tank barges totaling 57,700 cubic meters and three pushboats. In addition, in June 2010, Navios Logistics entered into long-term bareboat agreements for two new product tankers, the Stavroula and the Jiujiang, each with a capacity of 16,871 dwt. The Jiujiang and the Stavroula were delivered in June and July 2010, respectively. Both tankers are chartered-in for a two-year period, and Navios Logistics has the obligation to purchase the vessels immediately upon the expiration of the respective charter periods. Navios Logistics has recognized a capital lease obligation for the Jiujiang and the Stavroula amounting to $17.0 million and $17.1 million, respectively, and the aggregate lease payments during the three month period ended March 31, 2011 for both vessels were $0.3 million.

Chartering Arrangements

Navios Logistics continually monitors developments in the shipping industry and makes decisions on an individual vessel and segment basis, as well as based on its view of overall market conditions in order to implement its overall business strategy. In its barge business, Navios Logistics typically operates under a mix of time charters and contracts of affreightment ("CoAs") with durations of one to five years, some of which have minimum guaranteed volumes, and spot contracts. In its cabotage business, Navios Logistics typically operates under time charters with durations in excess of one year at inception. Some of its charters provide fixed pricing, minimum volume requirements and fuel price adjustment formulas. On other occasions, Navios Logistics engages in CoAs, which allow the Company flexibility in transporting a certain cargo to its destination.

Factors Affecting Navios Logistics' Results of Operations

Contract rates

The shipping and logistics industry has been highly volatile during the last several years. In order to have a full utilization of Navios Logistics' fleet and storage capacity, the Company must be able to renew the contracts on its fleet and ports on the expiration or termination of its current contracts. This ability depends upon economic conditions in the

sectors in which the vessels, barges and pushboats operate, changes in the supply and demand for vessels, barges and pushboats and changes in the supply and demand for the transportation and storage of commodities.

Weather conditions

As Navios Logistics specializes in the transportation and storage of liquid cargoes and dry bulk cargoes along the Hidrovia, any changes adversely affecting the region, such as low water levels, could reduce or limit Navios Logistics' ability to effectively transport cargo.

Droughts and other adverse weather conditions, including any possible effects of climate change, could result in a decline in production of the agricultural products Navios Logistics transports and stores, and this could likely result in a reduction in demand for services.

Foreign currency transactions

Navios Logistics' operating results, which are reported in U.S. dollars, may be affected by fluctuations in the exchange rate between the U.S. dollar and other currencies. For accounting purposes, Navios Logistics uses U.S. dollars as its functional and reporting currency. Therefore, revenue and expense accounts are translated into U.S. dollars at the exchange rate in effect at the date of each transaction. The balance sheets of the foreign operations are translated using the exchange rate at the balance sheet date except for property and equipment and equity, which are translated at historical rates.

Navios Logistics' subsidiaries in Uruguay, Argentina, Brazil and Paraguay transact part of their operations in Uruguayan pesos, Argentinean pesos, Brazilian reales and Paraguayan guaranies; however, all of the subsidiaries' primary cash flows are U.S. dollar denominated. Transactions in currencies other than the functional currency are translated at the exchange rate in effect at the date of each transaction. Differences in exchange rates during the period between the date a transaction denominated in a foreign currency is consummated and the date on which it is either settled or translated are recognized in the statement of income.

Inflation and fuel price increases

The impact of inflation and the resulting pressure on prices in the South American countries in which Navios Logistics operates may not be fully neutralized by equivalent adjustments in the rate of exchange between the local currencies and the U.S. dollar. Specifically, for Navios Logistics' vessels, barges and pushboats business, Navios Logistics negotiated, and will continue to negotiate, fuel price adjustment clauses; however, in some cases, prices that Navios Logistics pays for fuel are temporarily not aligned with the adjustments that Navios Logistics obtains under its freight contracts.

Seasonality

One significant factor that affects Navios Logistics' results of operations and revenues from quarter to quarter, particularly in the first and last quarters of each year, is seasonality. Generally, the high season for the logistics business is the period between February and July as a result of the South American harvest and higher river levels. Expected growth in soybean and minerals production and transportation may offset part of this seasonality. During the South American late spring and summer, mainly from November to January, the low level of water in the northern Hidrovia could adversely affect Navios Logistics' operations because the water level is not high enough to accommodate the draft of a heavily laden vessel. Such low levels also adversely impact Navios Logistics' ability to employ convoys as the water level towards the banks of the river may be too low to permit vessel traffic even if the middle of the river is deep enough to permit passage. With respect to dry port terminal operations in Uruguay, the high season is mainly from April to September, in tandem with the arrival of the first barges down-river and with the oceangoing vessels' logistics operations. The liquid port terminal operations in Paraguay and Navios Logistics cabotage business are not significantly affected by seasonality as the operations of the port and Navios Logistics' cabotage business are primarily linked to refined petroleum products.

Statement of Operations Breakdown by Segments

Historically, the Company had two reportable segments, Logistics Business and Dry Port Terminal Business. Since Navios Logistics was formed by the business combination between CNSA and Horamar, Navios Logistics has grown its vessel fleet from approximately 123 vessels, including barges, pushboats and tankers, to 236 vessels through acquisitions of vessels and the acquisition of a 51% interest in Hidronave S.A., a Brazilian pushboat operator. Additionally, Navios Logistics expanded its Uruguayan port terminal with the addition of a new silo with 80,000 metric tons of storage capacity in 2009, and in 2010 Navios Logistics acquired additional land and began the installation of a grain drying and conditioning facility, which is expected to be operational by the end of May 2011. Following these recent business developments, beginning in 2011, the Company reports its operations based on three reportable segments: Port Terminal Business, Barge Business and Cabotage Business. The Port Terminal Business includes the dry port terminal operations (previously identified as the Dry Port Terminal Business) and the liquid port terminal operations previously included in the Logistics Business segment. The previously identified Logistics Business segment has been split to form the Barge Business segment and the Cabotage Business segment. The information reported to the chief operating decision maker has been modified in accordance with the change in segments. Historical information has been reclassified in accordance with the new reportable segments.

Period over Period Comparisons of Navios Logistics

For the three month period ended March 31, 2011 compared to the three month period ended March 31, 2010

The following table presents consolidated revenue and expense information for the three month periods ended March 31, 2011 and 2010. This information was derived from the unaudited condensed consolidated financial statements.

(Expressed in thousands of U.S. dollars)	Three Month Period ended March 31, 2011 (unaudited)	Three Month Period ended March 31, 2010 (unaudited)
Time charter, voyage and port terminal revenues	$ 36,577	$ 27,087
Sales of products	7,780	9,118
Time charter, voyage and port terminal expenses	(8,267)	(8,277)
Direct vessels expenses	(14,409)	(10,736)
Cost of products sold	(7,621)	(8,589)
Depreciation and amortization	(6,116)	(5,597)
General and administrative expenses	(2,827)	(3,397)
Interest income/expense and finance costs, net	(1,054)	(908)
Other expense, net	(1,504)	(1,519)
Income/(loss) before income taxes and noncontrolling interest	**2,559**	**(2,818)**
Income taxes	977	789
Net income/(loss)	**3,536**	**(2,029)**
Less: Net (income)/loss attributable to the noncontrolling interest	(307)	249
Net income/(loss) attributable to Navios Logistics' stockholders	**$ 3,229**	**$ (1,780)**

Time Charter, Voyage and Port Terminal Revenues: For the three month period ended March 31, 2011, Navios Logistics revenue increased by $9.5 million or 35.1% to $36.6 million, as compared to $27.1 million for the same period during 2010. Revenue from the port terminal business increased by $1.0 million or 23.8% to $5.2 million for the three month period ended March 31, 2011, as compared to $4.2 million for the same period during 2010. The increase was mainly attributable to an increase in volumes in the dry port terminal. Revenue from the cabotage business increased by $4.4 million or 64.7% to $11.2 million for the three months period ended March 31, 2011, as compared to $6.8 million for the same period during 2010. This increase was mainly attributable to the new vessels acquired, the Sara H, the Jiujiang and the Stavroula, which were delivered in March, June and July 2010, respectively. Revenue from the barge business increased by $4.1 million or 25.5% to $20.2 million for the three months period ended March 31, 2011, as compared to $16.1 million for the same period during 2010. This increase was mainly attributable to the increase in the operational number of barges, mainly due to a three-year charter-in agreement for 15 tank barges, of which 13 tank barges were delivered during the third quarter of 2010 and two tank barges were delivered during the fourth quarter of 2010.

Sales of Products: For the three month period ended March 31, 2011, Navios Logistics' sales of products decreased by $1.3 million or 14.3% to $7.8 million, as compared to $9.1 million for the same period during 2010. The decrease was mainly attributable to a decrease in the Paraguayan liquid port's volume.

Time Charter, Voyage and Port Terminal Expenses: Time charter, voyage and port terminal expenses for both the three months period ended March 31, 2011 and 2010 was $8.3 million. Port terminal business expenses for the three months period ended March 31, 2011 increased by $0.2 million or 12.5% to $1.8 million, as compared to $1.6 million for the same period during 2010. This is attributable to an increase in the activities at Navios Logistics port facilities in Uruguay. This increase was set off by a $0.2 million or 28.6% decrease in time charter and voyage expenses of the cabotage business to $0.5 million for the three month period ended March 31, 2011, as compared to $0.7 million for the same period in 2010. Time charter and voyage expenses of barges business was $6.0 million for both three month periods ended March 31, 2011 and 2010.

Direct Vessels Expenses: Direct vessel expenses increased by $3.7 million or 34.6% to $14.4 million for the three month period ended March 31, 2011, as compared to $10.7 million for the same period in 2010. Direct vessels expenses of the cabotage business increased by $2.3 million or 71.9% to $5.5 million for the three months period ended March 31, 2011, as compared to $3.2 million for the same period in 2010. The increase resulted primarily from the additional operating expenses generated from the acquisitions of the Sara H, the Jiujiang and the Stavroula in 2010. Direct vessels expenses of the barge business increased by $1.4 million or 18.7% to $8.9 million for the three months period ended March 31, 2011, as compared to $7.5 million for the same period in 2010. The increase resulted primarily from the increase in crew costs and spares. Direct vessels expenses include crew costs, victual costs, dockage expenses, lubricants, spares, insurance, maintenance and repairs.

Cost of Products Sold: For the three month period ended March 31, 2011, Navios Logistics' cost of products sold decreased by $1.0 million or 11.6% to $7.6 million, as compared to $8.6 million for the same period during 2010. The decrease was mainly attributable to a decrease in the Paraguayan liquid port's volume.

Depreciation and Amortization: Depreciation and amortization expense increased by $0.5 million or 8.9% to $6.1 million for the three month period ended March 31, 2011, as compared to $5.6 million for the same period of 2010. The depreciation of tangible assets and the amortization of intangible assets for the three month period ended March 31, 2011 amounted to $5.0 million and $1.1 million, respectively. Depreciation of tangible assets and amortization of intangible assets for the three month period ended March 31, 2010 amounted to $4.5 million and $1.1 million, respectively. Depreciation and amortization in the barge business increased by $0.1 million or 2.5% to $4.1 million for the three month period ended March 31, 2011, as compared to $4.0 million for the same period during 2010. Depreciation and amortization in the cabotage business for the three month period ended March 31, 2011 increased by $0.2 million or 25.0% to $1.0 million, as compared with $0.8 million for the same period during 2010, and depreciation and amortization in the port business increased by $0.2 million or 25.0%to $1.0 million for the three month period ended March 31, 2011, as compared to $0.8 million for the same period during 2010.

General and Administrative Expenses: General and administrative expenses decreased by $0.6 million or 17.6% to $2.8 million for the three month period ended March 31, 2011, as compared to $3.4 million for the same period during 2010. General and administrative expenses relating to the port terminal business decreased by $0.1 million or 16.7% to $0.5 million, as compared to $0.6 million in the same period during 2010. General and administrative expenses relating to the barge business decreased by $0.5 million or 18.5% to $2.2 million for the three month period ended March 31, 2011, as compared to $2.7 million for the same period during 2010. The decrease was mainly attributable to a decrease in professional fees and other administrative costs. General and administrative expenses relating to the cabotage business was $0.1 million in both the three month period ended March 31, 2011 and 2010.

Interest Income/Expense and Finance Costs, Net: Interest expense and finance costs, net increased by $0.2 million or 22.2% to $1.1 million for the three month period ended March 31, 2011, as compared to $0.9 million for the same period of 2010. For the three month period ended March 31, 2011, interest expense amounted to $1.1 million, other finance costs amounted to $0.1 million and interest income amounted to $0.1 million. For the three month period ended March 31, 2010, interest expense amounted to $0.8 million and other finance costs amounted to $0.1 million. The main reason for the increase was the higher outstanding loans used to finance the acquisitions of the three new vessels in the cabotage business.

Other Income/Expense, Net: Other expense, net was $1.5 million for both three month periods ended March 31, 2011 and 2010. Other income/expense, net of the port terminal business increased by $0.7 million to a $0.6 million income for the three month period ended March 31, 2011, as compared to a $0.1 million loss for the same period in 2010. The increase was mainly attributable to foreign currency exchange gains generated during the three month period ended March 31, 2011. Other income/expense, net for the cabotage business decreased by $0.3 million to a loss of $1.2 million for the three month period ended March 31, 2011, as compared to a loss of $1.5 million for the same period in 2010. This decrease was due mainly to a decrease in other expenses incurred in the three month period ended March 31, 2011

relating to the vessels San Lorenzo and Formosa. The overall decrease in other income/expense, net was offset by a $1.0 million increase of net other income/expense of the barge business to a loss of $0.9 million for the three month period ended March 31, 2011, as compared to net other income/expense of $0.1 million income for the same period in 2010. This decrease was due mainly to an increase in taxes other than income taxes.

Income Taxes, net: Income taxes, net increased by $0.2 million or 25.0% to $1.0 million income for the three month period ended March 31, 2011, as compared to $0.8 million income for the same period in 2010. Income taxes in the port terminal business remained the same for the three month period ended March 31, 2011 amounting to $0. Income taxes in the cabotage business decreased by $0.1 million or 25.0% to $0.3 million loss for the three month period ended March 31, 2011 as compared to $0.4 million loss for the same period in 2010. Income taxes, net of the barge business increased by $0.1 million or 8.3% to $1.3 million income for the three month period ended March 31, 2011 as compared to $1.2 million income for the same period in 2010.

Non-Guarantor Subsidiaries

Navios Logistics' subsidiaries that do not guarantee the Senior Notes, Thalassa Energy S.A., HS Tankers Inc., HS Navigation Inc., HS Shipping Inc., HS South Inc., Hidronave South American Logistics S.A. and Navios Logistics Finance (US) Inc., accounted for approximately $3.3 million, or 7.5%, of total revenue, approximately $2.0 million, or 20.5%, of total EBITDA, approximately $90.8 million, or 16.8%, of total assets, and approximately $57.7 million, or 27.6%, of total liabilities, in each case, for the three month period ended and as of March 31, 2011.

Navios Logistics' subsidiaries that do not guarantee the Senior Notes, Thalassa Energy S.A., HS Tankers Inc., HS Navigation Inc., HS Shipping Inc., HS South Inc., Hidronave South American Logistics S.A. and Navios Logistics Finance (US) Inc., accounted for approximately $2.5 million, or 7.0%, of total revenue, and approximately $1.9 million, or 46.2%, of total EBITDA, in each case, for the three month period ended March 31, 2010. Additionally, they accounted for approximately $91.1 million, or 16.6%, of total assets, and approximately $59.4 million, or 27.1%, of total liabilities, in each case, as of December 31, 2010.

Non-Guarantor EBITDA Reconciliation to Net Income Attributable to Navios Logistics' Stockholders

(Expressed in thousands of U.S. dollars)	For the three month period ended March 31, 2011	For the three month period ended March 31, 2010
Net income attributable to Navios Logistics' stockholders	**$** 777	$ 702
Depreciation and amortization	899	780
Amortization of deferred drydock costs	13	—
Interest income/expense and finance costs, net	376	295
Income taxes	(115)	106
EBITDA	**$ 1,950**	**$ 1,883**

Liquidity and Capital Resources

Navios Logistics has historically financed its capital requirements with cash flows from operations, equity contributions from stockholders, borrowings under its credit facilities and the issuance of other debt. Main uses of funds have been capital expenditures for the acquisition of new vessels, new construction and upgrades at the port terminals, expenditures incurred in connection with ensuring that the owned vessels comply with international and regulatory standards and repayments of credit facilities. Navios Logistics anticipates that cash on hand, internally generated cash flows and borrowings under existing and future credit facilities will be sufficient to fund its operations, including working capital requirements. See "Working Capital Position", "Capital Expenditures" and "Long-term Debt Obligations and Credit Arrangements" for further discussion of Navios Logistics' working capital position.

The following table presents cash flow information derived from the unaudited consolidated statements of cash flows of Navios Logistics for the three month periods ended March 31, 2011 and 2010.

(Expressed in thousands of U.S. dollars)	Three Month Period Ended March 31, 2011 (unaudited)	Three Month Period Ended March 31, 2010 (unaudited)
Net cash provided by/(used in) operating activities	$ 2,127	$ (1,323)
Net cash used in investing activities	(2,817)	(2,869)
Net cash used in financing activities	(1,978)	(2,803)
Decrease in cash and cash equivalents	**(2,668)**	**(6,995)**
Cash and cash equivalents, beginning of the period	39,204	26,927
Cash and cash equivalents, end of period	**$ 36,536**	**$ 19,932**

Cash provided by operating activities for the three month period ended March 31, 2011 as compared to the cash used in operating activities for the three month period ended March 31, 2010

Net cash from operating activities increased by $3.4 million to $2.1 million of cash provided by operating activities for the three month period ended March 31, 2011, as compared to $1.3 million of cash used in operating activities for the same period in 2010. In determining net cash from operating activities, net income is adjusted for the effect of certain non-cash items including depreciation and amortization and income taxes, which are analyzed in detail as follows:

(Expressed in thousands of U.S. dollars)	Three Month Period Ended March 31, 2011 (unaudited)	March 31, 2010 (unaudited)
Net income/(loss)	$ 3,536	$ (2,029)
Depreciation of vessels, port terminals and other fixed assets, net	5,010	4,478
Amortization of intangible assets and liabilities, net	1,106	1,119
Amortization of deferred financing costs	97	80
Amortization of deferred drydock costs	111	79
Provision for losses on accounts receivable	122	58
Income taxes	(977)	(789)
Net income adjusted for non-cash items	**$ 9,005**	**$ 2,996**

Net income/(loss) is also adjusted for changes in operating assets and liabilities in order to determine net cash from operating activities.

The negative change in operating assets and liabilities of $6.9 million for the three month period ended March 31, 2011 resulted from a $4.0 million increase in accounts receivable, a $0.3 million decrease in accrued expenses, and a $7.9 million decrease in accounts payable. The negative change in operating assets and liabilities for the three month period ended March 31, 2011 was partially offset by a $0.5 million decrease in restricted cash, a $0.2 million increase in due to affiliates, and a $4.6 million decrease in prepaid expenses and other assets.

The negative change in operating assets and liabilities of $4.3 million for the three month period ended March 31, 2010 resulted from a $8.0 million increase in accounts receivable, a $1.4 million payments of interest, a $0.7 million decrease in long term liabilities, and a $0.6 million increase in prepaid expenses and other current assets. This negative change was partially offset by a $0.6 million decrease in restricted cash and a $5.8 million increase in accounts payable.

Cash used in investing activities for the three month period ended March 31, 2011 as compared to the three month period ended March 31, 2010:

Net cash used in investing activities decreased by $0.1 million to $2.8 million for the three month period ended March 31, 2011 from $2.9 million for the same period in 2010.

Cash used in investing activities for the three month period ended March 31, 2011 was mainly the result of (a) $0.6 million in payments for the construction of the new drying and conditioning facility in Nueva Palmira, (b) $1.3 million in payments for the installation of an inert gas system and other improvements performed for the Estefania H and the Jiujiang and (c) $0.9 million in payments for the purchase of other fixed assets.

Cash used in investing activities for the three month period ended March 31, 2010 was the result of (a) a $1.0 million payment for the construction of the new drying and conditioning facility in Nueva Palmira, Uruguay, (b) $0.7 million in payments for the acquisition of a barge, and (c) $1.2 million in payments for the purchase of other fixed assets.

Cash used in financing activities for the three month period ended March 31, 2011 as compared to the three month period ended March 31, 2010:

Net cash used in financing activities decreased by $0.8 million from $2.0 million for the three month period ended March 31, 2011, as compared to $2.8 million for the same period of 2010.

Cash used in financing activities for the three month period ended March 31, 2011 was mainly due to (a) $0.3 million in payments of obligations under capital leases in connection with the acquisition of the product tanker vessels the Jiujiang and the Stavroula, (b) $1.4 million of installments paid in connection with Navios Logistics' outstanding loans and (c) a $0.3 million in payments of deferred financing costs following the amendment of the Marfin loan facility.

Cash used in financing activities for the three month period ended March 31, 2010 was mainly the result of (a) $2.1 million of repayments of long-term debt, (b) $0.5 million for a distribution of dividends to noncontrolling shareholders, and (c) $0.5 million in payments of deferred financing costs. This was partially mitigated by $0.3 million of proceeds from long term loans.

Reconciliation of EBITDA to Net Income/(loss) Attributable to Navios Logistics' Stockholders

EBITDA represents net income/(loss) attributable to Navios Logistics' stockholders before interest, taxes, depreciation, and amortization. Navios Logistics believes that EBITDA is a basis upon which operational performance can be assessed and because it is used by certain investors to measure its ability to service and/or incur indebtedness, pay capital expenditures and meet working capital requirements. EBITDA is also used: (i) by prospective and current lessors as well as potential lenders to evaluate potential transactions; and (ii) to evaluate and price potential acquisition candidates. Navios Logistics' calculation of EBITDA may not be comparable to that reported by other companies due to differences in methods of calculation.

Three month period ended March 31, 2011

(Expressed in thousands of U.S. dollars)	Port Terminal Business (unaudited)	Cabotage Business (unaudited)	Barge Business (unaudited)	Total
Net income/(loss) attributable to Navios Logistics' stockholders	$ 2,855	$ 1,730	$ (1,356)	$ 3,229
Depreciation and amortization	979	1,021	4,116	6,116
Amortization of deferred drydock costs	—	13	98	111
Interest income/expense and finance costs, net	(122)	479	697	1,054
Income taxes	—	287	(1,264)	(977)
EBITDA	**$ 3,712**	**$ 3,530**	**$ 2,291**	**$ 9,533**

Three month period ended March 31, 2010

(Expressed in thousands of U.S. dollars)	Port Terminal Business (unaudited)	Cabotage Business (unaudited)	Barge Business (unaudited)	Total
Net income/(loss) attributable to Navios Logistics' stockholders	$ 1,541	$ 152	$ (3,473)	$ (1,780)
Depreciation and amortization	843	766	3,988	5,597
Amortization of deferred drydock costs	—	—	79	79
Interest income/expense and finance costs, net	(17)	283	642	908
Income taxes	11	389	(1,189)	(789)
EBITDA	**$ 2,378**	**$ 1,590**	**$ 47**	**$ 4,015**

EBITDA increased by $5.5 million to $9.5 million for the three month period ended March 31, 2011, as compared to $4.0 million for the same period of 2010. This increase was mainly due to (a) a $9.5 million increase in time charter, voyage and port terminal revenues, of which $4.4 million was attributable to the cabotage business, $4.1 million was attributable to the barge business and $1.0 was attributable to the port terminal business, (b) the decrease in general and administrative expenses by $0.6 million, out of which $0.5 million was attributable to the barge business and $0.1 million relating to the port terminal business, and (c) the decrease in cost of products sold by $1.0 million attributable to the port terminal business. This increase was partially offset by (a) a $1.3 million decrease in sales of products in the port terminal business, (b) a $0.6 million increase in noncontrolling interest mainly relating to the cabotage business, and (c) a $3.7 million increase in direct vessels expenses, of which $2.3 million was attributable to the cabotage business and $1.4 million was attributable to the barge business.

Long-term Debt Obligations and Credit Arrangements

Senior Notes: On April 12, 2011, the Co-Issuers issued $200.0 million in senior unsecured notes (the "Senior Notes") due on April 15, 2019 at a fixed rate of 9.25%. The Senior Notes are fully and unconditionally guaranteed, jointly and severally, by all of Navios Logistics' direct and indirect subsidiaries except for Thalassa Energy S.A., HS Tankers Inc., HS Navigation Inc., HS Shipping Ltd. Inc., HS South Inc., Hidronave South American Logistics S.A. and Navios Logistics Finance (US) Inc. The Co-Issuers have the option to redeem the notes in whole or in part, at their option, at any time (i) before April 15, 2014, at a redemption price equal to 100% of the principal amount plus the applicable make-whole premium plus accrued and unpaid interest, if any, to the redemption date and (ii) on or after April 15, 2014, at a fixed price of 106.938%, which price declines ratably until it reaches par in 2017. At any time before April 15, 2014, the Co-Issuers may redeem up to 35% of the aggregate principal amount of the Senior Notes with the net proceeds of an equity offering at 109.25% of the principal amount of the notes, plus accrued and unpaid interest, if any, to the redemption date so long as at least 65% of the originally issued aggregate principal amount of the notes remains outstanding after such redemption. In addition, upon the occurrence of certain change of control events, the holders of the Senior Notes will have the right to require the Co-Issuers to repurchase some or all of the notes at 101% of their face amount, plus accrued and unpaid interest to the repurchase date.

Under a registration rights agreement, the Co-Issuers and the subsidiary guarantors are obliged to file a registration statement prior to January 7, 2012, that enables the holders of the Senior Notes to exchange the privately placed notes with publicly registered notes with identical terms. The Senior Notes contain covenants which, among other things, limit the incurrence of additional indebtedness, issuance of certain preferred stock, the payment of dividends, redemption or repurchase of capital stock or making restricted payments and investments, creation of certain liens, transfer or sale of assets, entering in transactions with affiliates, merging or consolidating or selling all or substantially all of Navios Logistics' properties and assets and creation or designation of restricted subsidiaries.

Refer also to “Recent Developments” included elsewhere in this document.

Loan Facilities:

Marfin Facility

On March 31, 2008, the Company entered into a $70.0 million loan facility with Marfin Popular Bank for the purpose of providing Nauticler S.A. with investment capital to be used in connection with one or more investment projects. The loan was initially repayable in one installment by March 2011 and bore interest at LIBOR plus a margin of 175 basis points. In March 2009, the Company transferred its loan facility of $70.0 million to Marfin Popular Bank Public Co. Ltd. The loan provided for an additional one year extension and an increase of the margin to 275 basis points. On March 23, 2010, the loan was extended for one additional year, providing an increase of the margin to 300 basis points. On March 29, 2011, the Company agreed with Marfin Popular Bank to amend its current loan agreement with its subsidiary, Nauticler S.A., to provide for a $40.0 million revolving credit facility. The amended facility provides for the existing margin of 300 basis points and is secured by mortgages on four tanker vessels or alternative security over other assets acceptable to the bank. The amended facility requires compliance with customary covenants. The obligation of the bank under the amended facility is subject to prepayment of the existing facility and is subject to customary conditions, such as the receipt of satisfactory appraisals, insurance, opinions and the negotiation, execution and delivery of mutually satisfactory loan documentation. As of March 31, 2011, the amount outstanding under this facility was $70.0 million and was classified as long term debt. On April 12, 2011, following the completion of the sale of $200.0 million of Senior Notes, Navios Logistics fully repaid the $70.0 million loan facility with Marfin Bank using a portion of the proceeds from the Senior Notes.

Non-Wholly Owned Subsidiaries Indebtedness

Navios Logistics assumed a $9.5 million loan facility that was entered into by its majority owned subsidiary, HS Shipping Ltd. Inc. in 2006, in order to finance the construction of a 8,974 dwt double-hull tanker, the Malva H. After the vessel’s delivery, the interest rate has been LIBOR plus 150 basis points. The loan is repayable in installments of at least 90% of the amount of the last hire payment due by Horamar to be paid to HS Shipping Ltd. Inc. The repayment date must occur prior to December 31, 2011. The loan can be prepaid before such date, with two days written notice. As of March 31, 2011, the amount outstanding under this facility was $6.6 million. The loan also requires compliance with certain covenants.

On September 4, 2009, HS Navigation Inc., a majority owned subsidiary of Navios Logistics, entered into a loan facility for an amount of up to $18.7 million that bears interest at LIBOR plus 225 basis points in order to finance the acquisition cost of the Estefania H. The loan is repayable in installments of at least the higher of (a) 90% of the amount of the last hire payment due to HS Navigation Inc. prior to the repayment date, and (b) $0.3 million, inclusive of any interest accrued in relation to the loan at that time. The repayment date must occur prior to May 15, 2016. The loan can be prepaid before such date with two days written notice. As of March 31, 2011, the amount outstanding under this facility was $14.4 million. The loan also requires compliance with certain covenants.

On December 15, 2009, HS Tankers Inc., a majority owned subsidiary of Navios Logistics, entered into a loan facility in order to finance the acquisition cost of the Makenita H for an amount of $24.0 million, which bears interest at LIBOR plus 225 basis points. The loan is repayable in installments of at least the higher of (a) 90% of the amount of the last hire payment due to HS Tankers Inc. prior to the repayment date, and (b) $0.3 million, inclusive of any interest accrued in relation to the loan at that time. The repayment date must occur prior to March 24, 2016. The loan can be prepaid before such date with two days written notice. As of March 31, 2011, the amount outstanding under this facility was $20.5 million. The loan also requires compliance with certain covenants.

On December 20, 2010, in order to finance the acquisition cost of Sara H, HS South Inc., a majority owned subsidiary of Navios Logistics, entered into a loan facility for $14.4 million that bears interest at LIBOR plus 225 basis points. The loan is repayable in installments of at least the higher of (a) 90% of the amount of the last hire payment due to be HS South Inc. prior to the repayment date, and (b) $0.3 million, inclusive of any interest accrued in relation to the loan at that time. The repayment date must occur prior to May 24, 2016. The loan can be prepaid before such date with two days written notice. As of March 31, 2011, the amount outstanding under this facility was $13.8 million. The loan also requires compliance with certain covenants.

Other Indebtedness

In connection with the acquisition of Hidronave S.A., on October 29, 2009, Navios Logistics assumed a $0.8 million loan facility that was entered into by Hidronave S.A. in 2001 in order to finance the construction of the pushboat

Nazira. As of March 31, 2010, the outstanding loan balance was $0.7 million. The loan facility bears a fixed interest rate of 600 basis points. The loan will be repaid in monthly installments and the final repayment date cannot extend beyond August 10, 2021. The loan also requires compliance with certain covenants.

The maturity table below reflects the principal payments for the next five years and thereafter on all credit facilities outstanding as of March 31, 2011, based on the repayment schedule of the respective loan facilities (as described above).

Payment due by period	March 31, 2011 (Amounts in millions of U.S. dollars)
March 31, 2012	9.7
March 31, 2013	3.1
March 31, 2014	3.1
March 31, 2015	3.1
March 31, 2016	18.5
March 31, 2017 and thereafter	88.5
Total long-term borrowings	$ 126.0

Contractual Obligations:

The following table summarizes Navios Logistics' contractual obligations as of March 31, 2011:

Contractual Obligations	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Payment due by period (in million $)					
Long-term debt obligations(1)	$ 9.7	$ 6.1	$ 21.6	$ 88.6	$ 126.0
Operating lease obligations	5.9	5.9	—	—	11.8
Lease obligations	1.0	31.0	—	—	32.0
Rent obligations(2)	0.2	0.2	0.1	0.2	0.7
Total	$ 16.8	$ 43.2	$ 21.7	$ 88.8	$ 170.5

(1) The amount identified does not include interest costs associated with the outstanding credit facilities which are mainly based on LIBOR, and a margin ranging from 1.5% to 3.0% per annum.

(2) Navios Logistics has several lease agreements with respect to its various operating offices.

Working Capital Position

On March 31, 2011, Navios Logistics' current assets totaled $66.4 million, while current liabilities totaled $36.9 million, resulting in a positive working capital position of $29.5 million. Navios Logistics' cash forecast indicates that Navios Logistics will generate sufficient cash for at least the next 12 months to make the required principal and interest payments on Navios Logistics' indebtedness, provide for the normal working capital requirements of the business and remain in a positive cash position.

Capital Expenditures

In February 2010, HS South Inc., a majority owned subsidiary of Navios Logistics, took delivery of the Sara H, a 9,000 dwt double hull product oil tanker vessel, which, as of the beginning of March 2010, is chartered-out for three years. The purchase price of the vessel (including direct costs) amounted to $18.0 million. On December 20, 2010, HS South Inc., entered into a loan facility to finance the acquisition cost of the Sara H for an amount of $14.4 million, which bears interest at a rate of LIBOR plus 225 basis points. The loan will be repaid by installments that shall not be less than the highest of (a) 90% of the amount of the last hire payment due to HS South Inc., prior to the repayment date, and (b) $0.3 million, inclusive of any interest accrued in relation to the loan at that time. The repayment date must occur prior to May 24, 2016. As of March 31, 2011, the amount outstanding under this facility was $13.8 million.

During the first quarter of 2010, Navios Logistics began the construction of a grain drying and conditioning facility at Navios Logistics' dry port facility in Nueva Palmira. The facility is expected to be operational by the end of May 2011 and is being financed entirely with funds provided by the port operations. Navios Logistics paid an amount of $3.6 million as of March 31, 2011 for the construction of the facility ($3.0 million as of December 31, 2010).

In June 2010, Navios Logistics entered into long-term bareboat agreements for two new product tankers, the Stavroula and the Jiujiang, each with a capacity of 16,871 dwt. The Jiujiang and the Stavroula were delivered in June and July 2010, respectively. Both tankers are chartered-in for a two-year period, and Navios Logistics has the obligation to purchase the vessels immediately upon the expiration of their respective charter periods. Navios Logistics has recognized a capital lease obligation for the Jiujiang and the Stavroula amounting to $17.0 million and $17.1 million, respectively.

In 2010, Navios Logistics acquired two 29 acre parcels of land located south of the Nueva Palmira Free Zone as part of a project to develop a new transshipment facility for mineral ores and liquid bulks, paying a total of $1.0 million.

In April 2011, Navios Logistics used a portion of the proceeds from the Senior Notes to pay $8.7 million for the acquisition and upgrading of two pushboats named William Hank and Lonny Fugate and, on May 2, 2011, the Company used a portion of such proceeds to pay $0.6 million, representing a deposit in advance of the purchase price for the acquisition of the pushboat named WW Dyer.

Dividend Policy

The payment of dividends is in the discretion of Navios Logistics board of directors. Navios Logistics anticipates retaining most of its future earnings, if any, for use in its operations and the expansion of its business. Any determination as to dividend policy will be made by Navios Logistics' board of directors and will depend on a number of factors, including the requirements of Marshall Islands law, Navios Logistics' future earnings, capital requirements, financial condition and future prospects and such other factors as Navios Logistics' board of directors may deem relevant. Marshall Islands law generally prohibits the payment of dividends other than from surplus, when a company is insolvent or if the payment of the dividend would render the company insolvent.

Navios Logistics ability to pay dividends is also restricted by the terms of its credit facilities and the indenture governing its Senior Notes.

Because Navios Logistics is a holding company with no material assets other than the stock of its subsidiaries, its ability to pay dividends is dependent upon the earnings and cash flow of its subsidiaries and their ability to pay dividends to Navios Logistics. If there is a substantial decline in any of the markets in which Navios Logistics participates, its earnings will be negatively affected, thereby limiting its ability to pay dividends.

Concentration of Credit Risk

Concentrations of credit risk with respect to accounts receivables are limited due to Navios Logistics' large number of customers, who are established international operators and have an appropriate credit history. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in Navios Logistics trade receivables. For the three month period ended March 31, 2011, three customers, Petropar, Petrobras and YPF, accounted for 15%, 15% and 11% of Navios Logistics' revenues, respectively. For the three month period ended March 31, 2010, two customers, Petrobras and Vale Internacional S.A., accounted for 19% and 11% of Navios Logistics' revenues, respectively.

Off-Balance Sheet Arrangements

Charter hire payments to third parties for chartered-in barges and pushboats are treated as operating leases for accounting purposes. Navios Logistics is also committed to making rental payments under various operating leases for office and other premises.

As of March 31, 2011, Navios Logistics' subsidiaries in South America were contingently liable for various claims and penalties towards the local tax authorities amounting to a total of approximately $4.9 million. According to the acquisition agreement, if such cases are brought against Navios Logistics, the amounts involved will be reimbursed by the previous shareholders, and, as such, Navios Logistics has recognized a receivable against such liability. The contingencies are expected to be resolved in the next four years. In the opinion of management, the ultimate disposition of these matters is immaterial and will not adversely affect Navios Logistics financial position, results of operations or liquidity. On August 19, 2009, the Company issued a guarantee and indemnity letter that guarantees the performance by Petrolera San Antonio S.A. ("Petrosan") of all its obligations to Vitol S.A. ("Vitol") up to $4.0 million. On May 6, 2011, the guarantee amount was increased to $10.0 million. In addition, Petrosan agreed to pay Vitol immediately upon demand, any and all sums up to the referred limit, plus interest and costs, in relation to sales of gas oil under certain contracts between Vitol and Petrosan. The guarantee will expire on August 18, 2011.

Legal proceedings

The Company is subject to legal proceedings, claims and contingencies arising in the ordinary course of business. When such amounts can be estimated and the contingency is probable, management accrues the corresponding liability. While the ultimate outcome of lawsuits or other proceedings against the Company cannot be predicted with certainty, management does not believe the costs of such actions will have a material effect on the Company's consolidated financial position or results of operations.

Related Party Transactions

Balance due to affiliates as of March 31, 2011 amounted to $0.3 million (December 31, 2010: $0.2 million) which includes the current amounts due to Navios Holdings.

Navios Logistics rents barges and pushboats and pays expenses for lodging at companies indirectly owned by certain of Navios Logistics' directors and officers. In relation to these transactions, amounts payable to other related parties amounted to $0.5 million as of March 31, 2011 ($0.3 million in December 31, 2010) and rent expense for the period ended March 31, 2011 amounted to $0.5 million ($0.5 million in the same period of 2010).

Leases: On October 2, 2006, Petrovia S.A. and Mercopar SACI, two wholly owned subsidiaries of Navios Logistics, entered into lease agreements with Holdux Maritima Leasing Corp., a Panamanian corporation owned by the estate of Horacio A. Lopez (the father of Claudio Pablo Lopez, Carlos Augusto Lopez and Horacio Enrique Lopez). The lease agreements provide for the leasing of one pushboat and three tank barges. The total annual lease payments are $0.6 million and lease agreements expire in October 2011.

On July 1, 2007, Compania Naviera Horamar S.A., a wholly owned subsidiary of Navios Logistics, entered into two lease agreements with Mercotrans S.A. and Mercoparana S.A., two Argentinean corporations owned by the estate of Horacio A. Lopez (the father of Claudio Pablo Lopez, Carlos Augusto Lopez and Horacio Enrique Lopez). The lease agreements provide for the leasing of one pushboat and three tank barges. The total annual lease payments are $1.5 million and the lease agreements expire in 2012.

Lodging: Compania Naviera Horamar S.A., a wholly owned subsidiary of Navios Logistics, obtains lodging services from Empresa Hotelera Argentina S.A./(NH Lancaster) an Argentinean corporation owned by certain of Navios Logistics' directors and officers, including Claudio Pablo Lopez, Navios Logistics' Chief Executive Officer, and Carlos Augusto Lopez, Navios Logistics' Chief Commercial Officer—Shipping Division, each of whom does not have a controlling interest in those companies. The total expense payments were less than $0.1 million for the periods ended March 31, 2011 and 2010.

In addition, certain back-office, information and technology and other administrative services have been rendered to Navios Logistics by Navios Holdings, its controlling shareholder, and have been reimbursed for amounts Navios Logistics has determined to be immaterial.

Navios Logistics believes that the transactions discussed above were made on terms no less favorable to the Company than would have been obtained from unaffiliated third parties.

Employment Agreements

Navios Logistics has executed employment agreements with several of its key employees who are its noncontrolling shareholders. These agreements stipulate, among other things, severance and benefit arrangements in the event of termination. In addition, the agreements include confidentiality provisions and covenants not to compete. The employment agreements initially expired in December 31, 2009, but renew automatically for successive one-year periods until either party gives 90 days' written notice of its intention to terminate the agreement. Generally, the agreements call for a base salary ranging from $0.28 million to $0.34 million per year, annual bonuses and other incentives, provided that certain performance targets are achieved. Under the agreements, Navios Logistics' accrued compensation totaling $0.2 million for the period ended March 31, 2011 ($0.2 million in the same period of 2010).

Quantitative and Qualitative Disclosures about Market Risks

Navios Logistics is exposed to certain risks related to interest rate, foreign currency and time charter hire rate fluctuation. Risk management is carried out under policies approved by executive management.

Interest Rate Risk:

Debt Instruments — On March 31, 2011 and December 31, 2010, Navios Logistics had a total of $126.0 million and $127.4 million, respectively, in long-term indebtedness. The debt is dollar denominated and bears interest at a floating rate except for the Hidronave loan, which bears interest at a fixed rate.

The interest on the loan facilities is at a floating rate and, therefore, changes in interest rates would affect their value. The interest rate on the Hidronave loan is the only one that is fixed and, therefore, changes in interest rates do not affect its value, which as of March 31, 2011 was $0.7 million. Navios Logistics is exposed to market risk from changes in interest rates, which may adversely affect its results of operations and financial condition.

Navios Logistics' financial variable rate debt, as of March 31, 2011, amounted to $125.3 million. During the three month period ended March 31, 2011, Navios Logistics paid interest on this debt based on LIBOR plus an average spread of 205 basis points. Navios Logistics variable rate debt had an average interest rate of 235 basis points as of March 31, 2011. A change in the LIBOR rate of 100 basis points would change interest expense for the three month period ended March 31, 2011 by $0.1 million.

For a detailed discussion of Navios Logistics' debt instruments, refer to section "Long-term Debt Obligations and Credit Arrangements" included elsewhere in this document.

Foreign currency transactions:

Navios Logistics' operating results, which are reported in U.S. dollars, may be affected by fluctuations in the exchange rate between the U.S. dollar and other currencies. For accounting purposes, Navios Logistics uses U.S. dollars as its functional and reporting currency. Therefore, revenue and expense accounts are translated into U.S. dollars at the exchange rate in effect at the date of each transaction. The balance sheets of the foreign operations are translated using the exchange rate at the balance sheet date except for property and equipment and equity, which are translated at historical rates.

Navios Logistics' subsidiaries in Uruguay, Argentina, Brazil and Paraguay transact part of their operations in Uruguayan pesos, Argentinean pesos, Brazilian reales and Paraguayan guaraníes; however, all of the subsidiaries' primary cash flows are U.S. dollar denominated. For the three month periods ended March 31, 2011 and 2010 approximately 55.8% and 54.5%, respectively, of our expenses were incurred in currencies other than U.S dollars. Transactions in currencies other than the functional currency are translated at the exchange rate in effect at the date of each transaction. Differences in exchange rates during the period between the date a transaction denominated in a foreign currency is consummated and the date on which it is either settled or translated are recognized in the statement of income.

Inflation and fuel price increases

The impact of inflation and the resulting pressure on prices in the South American countries in which Navios Logistics operates may not be fully neutralized by equivalent adjustments in the rate of exchange between the local currencies and the U.S. dollar. Specifically, for Navios Logistics' vessels, barges and pushboats business, Navios

Logistics negotiated, and will continue to negotiate, fuel price adjustment clauses; however, in some cases, prices that Navios Logistics pays for fuel are temporarily not aligned with the adjustments that Navios Logistics obtains under its freight contracts.

Critical Accounting Policies

Navios Logistics' condensed consolidated financial statements have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires Navios Logistics 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 Navios Logistics' 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 Logistics 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.

Impairment of Long-Lived Assets: Vessels, other fixed assets and other long-lived assets held and used by Navios Logistics are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable. In accordance with accounting for long-lived assets, management determines projected undiscounted cash flows for each asset and compares it to its carrying amount. In the event that projected undiscounted cash flows for an asset is less than its carrying amount, then management reviews fair values and compares them to the asset's carrying amount. In the event that impairment occurs, an impairment charge is recognized by comparing the asset's carrying amount to its fair value. For the purposes of assessing impairment, long-lived assets are grouped at the lowest levels for which there are separately identifiable cash flows.

For the period ended March 31, 2011, after considering various indicators, including but not limited to the market price of Navios Logistics' long-lived assets, Navios Logistics' contracted revenues and cash flows and the economic outlook, Navios Logistics concluded that no impairment loss should be recognized on the long-lived assets.

Although Navios Logistics believes the underlying indicators supporting this assessment are reasonable, if charter rate trends became unfavorable and the length of the current market downturn extends beyond expectations, Navios Logistics may be required to perform impairment analysis in the future that could expose Navios Logistics to material charges in the future.

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

Vessels, Barges, Pushboats and Other Fixed Assets, Net: Vessels, barges, pushboats and other fixed assets acquired as parts of a business combination or asset acquisition are recorded at fair value on the date of acquisition. All other vessels, barges and pushboats acquired are stated at historical cost, which consists of the contract price, and any material expenses incurred upon acquisition (improvements and delivery expenses). Subsequent expenditures for major improvements and upgrading are capitalized, provided they appreciably extend the life, increase the earning capacity or improve the efficiency or safety of the vessels. The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss is included in the accompanying condensed consolidated statement of income.

Expenditures for routine maintenance and repairs are expensed as incurred.

Depreciation is computed using the straight-line method over the useful life of the assets, after considering the estimated residual value. Management estimates the useful life of the majority of Navios Logistics' vessels to be between 15 and 40 years from the asset's original construction or acquisition with the exception of certain product tankers for which their useful life was estimated to be 44 to 45 years. However, when regulations place limitations over the ability of a vessel to trade on a worldwide basis, its useful life is reestimated to end at the date such regulations become effective. An increase in the useful life of a vessel or in its residual value would have the effect of decreasing the annual depreciation charge and extending it into later periods. A decrease in the useful life of a vessel or in its residual value would have the effect of increasing the annual depreciation charge.

Navios Logistics capitalizes interest on long-term construction projects.

Port Terminals and Other Fixed Assets, Net: Port terminals and other fixed assets acquired as part of a business combination or asset acquisition are recorded at fair value on the date of acquisition. All other port terminals and other fixed assets are recorded at cost, which consists of the construction contracts prices, and material equipment expenses. Port terminals and other fixed assets are depreciated utilizing the straight-line method at rates equivalent to their average estimated economic useful lives. The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss is included in the accompanying condensed consolidated statements of income.

Useful life of the assets, are:	
Dry port terminal	5 to 40 years
Oil storage, plant and port facilities for liquid cargoes	5 to 20 years
Other fixed assets	5 to 10 years

Deferred Drydock and Special Survey Costs: Navios Logistics' vessels are subject to regularly scheduled drydocking and special surveys that are carried out every five years for oceangoing vessels and every seven years for pushboats and barges, to coincide with the renewal of the related certificates issued by the classification societies, as applicable, unless a further extension is obtained under certain conditions. The costs of drydocking and special surveys are deferred and amortized over the above-mentioned periods or to the next drydocking or special survey date if such has been determined. Unamortized drydocking or special survey costs of vessels sold are charged against income in the year the vessel is sold. When a vessel is acquired, the portion of the asset's capitalized cost that relates to drydocking or special survey is treated as a separate component of the asset's cost and is deferred and amortized as above. This cost is determined by reference to the estimated economic benefits to be derived until the next drydocking or special survey.

Goodwill and Other Intangibles:

(i) Goodwill: Goodwill is tested for impairment at the reporting unit level at least annually and written down with a charge to operations if its carrying amount exceeds the estimated implied fair value. Navios Logistics evaluates impairment of goodwill using a two-step process. First, the aggregate fair value of the reporting unit is compared to its carrying amount, including goodwill. Navios Logistics determines the fair value of the reporting unit based on a combination of discounted cash flow analysis and an industry market multiple.

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

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

(ii) Intangibles other than goodwill: Navios Logistics' intangible assets and liabilities consist of favorable lease terms, customer relationships, trade name, port terminal operating rights, and favorable construction options. Intangible assets resulting from acquisitions accounted for using the purchase method of accounting are recorded at fair value as estimated by an external expert valuation.

Intangible assets resulting from acquisitions accounted for using the purchase method of accounting are recorded at fair value as estimated by an external expert valuation.

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

The fair value of customer relationships was determined based on the "excess earnings" method, which relies upon the future cash flow generating ability of the asset. The asset is amortized under the straight line method over 20 years.

When intangible assets or liabilities associated with the acquisition of a vessel are identified, they are recorded at fair value. Fair value is determined by reference to market data and the discounted amount of expected future cash flows. Where charter rates are higher than market charter rates, an asset is recorded, being the difference between the acquired charter rate and the market charter rate for an equivalent vessel. Where charter rates are less than market charter rates, a liability is recorded, being the difference between the assumed charter rate and the market charter rate for an equivalent vessel. The determination of the fair value of acquired assets and assumed liabilities requires Navios Logistics to make significant assumptions and estimates of many variables, including market charter rates, expected future charter rates, the level of utilization of Navios Logistics' vessels and its weighted average cost of capital. The use of different assumptions could result in a material change in the fair value of these items, which could have a material impact on Navios Logistics' financial position and results of operations.

The amortizable value of favorable leases is amortized over the remaining life of the lease term and the amortization expense is included in the statement of operations in the "Depreciation and amortization" line item.

The amortizable value of favorable leases would be considered impaired if its fair market value could not be recovered from the future undiscounted cash flows associated with the asset. As of March 31, 2011, there is no impairment of intangible assets.

Amortizable intangible assets are amortized under the straight line method according to the following weighted average amortization periods:

Intangible assets/liabilities	Years
Trade name	10
Favorable lease terms	2 to 5
Port terminal operating rights	20 to 25
Customers relationships	20
Backlog asset—port terminal	3.6

Recent Accounting Pronouncements

Fair value measurement

In May 2011, the Financial Accounting Standards Board ("FASB") issued amendments to achieve common fair value measurement and disclosure requirements. The new guidance (i) prohibits the grouping of financial instruments for purposes of determining their fair values when the unit of accounting is specified in another guidance, unless the exception provided for portfolios applies and is used; (ii) prohibits the application of a blockage factor in valuing financial instruments with quoted prices in active markets and (iii) extends that prohibition to all fair value measurements. Premiums or discounts related to size as a characteristic of the entity's holding (that is, a blockage factor) instead of as a characteristic of the asset or liability (for example, a control premium), are not permitted. A fair value measurement that is not a Level 1 measurement may include premiums or discounts other than blockage factors when market participants would incorporate the premium or discount into the measurement at the level of the unit of accounting specified in another guidance. The new guidance aligns the fair value measurement of instruments classified within an entity's shareholders' equity with the guidance for liabilities. As a result, an entity should measure the fair value of its own equity instruments from the perspective of a market participant that holds the instruments as assets. The disclosure requirements have been enhanced. The most significant change will require entities, for their recurring Level 3 fair value measurements, to disclose quantitative information about unobservable inputs used, to include a description of the valuation processes used by the entity, and to include a qualitative discussion about the sensitivity of the measurements. In addition, entities must report the level in the fair value hierarchy of assets and liabilities not recorded at fair value but where fair value is disclosed. The new guidance is effective for interim and annual periods beginning on or after December 15, 2011, with early adoption prohibited. The new guidance will require prospective application. The adoption of the new standard is not expected to have a significant impact on Navios Logistics' consolidated financial statements.

Fair Value Disclosures

In January 2010, the Financial Accounting Standards Board ("FASB") issued amended standards requiring additional fair value disclosures. The amended standards require disclosures of transfers in and out of Levels 1 and 2 of the fair value hierarchy, as well as requiring gross basis disclosures for purchases, sales, issuances and settlements within the Level 3 reconciliation. Additionally, the update clarifies the requirement to determine the level of disaggregation for fair value measurement disclosures and to disclose valuation techniques and inputs used for both recurring and nonrecurring fair value measurements in either Level 2 or Level 3. Navios Logistics adopted the new guidance in the first quarter of fiscal year 2010, except for the disclosures related to purchases, sales, issuance and settlements within Level 3, which is effective for Navios Logistics beginning in the first quarter of fiscal year 2011. The adoption of the new standard did not have a significant impact on Navios Logistics' consolidated financial statements.

NAVIOS SOUTH AMERICAN LOGISTICS INC.

Index

NAVIOS SOUTH AMERICAN LOGISTICS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of U.S. dollars — except share data)

	Notes	March 31, 2011 (unaudited)	December 31, 2010
ASSETS			
Current assets			
Cash and cash equivalents	3	$ 36,536	$ 39,204
Restricted cash		93	564
Accounts receivable, net		20,952	17,102
Prepaid expenses and other current assets		8,810	13,554
Total current assets		**66,391**	**70,424**
Non-current assets			
Vessels, port terminals and other fixed assets, net	4	293,941	296,133
Intangible assets other than goodwill	5	67,193	68,299
Goodwill		104,096	104,096
Other long-term assets		10,335	8,509
Total non-current assets		**475,565**	**477,037**
Total assets		**$ 541,956**	**$ 547,461**
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable		$ 14,717	$ 22,591
Due to affiliate companies	8	318	155
Accrued expenses		10,911	9,611
Current portion of capital lease obligations	4	1,267	1,252
Current portion of long-term debt	6	9,674	10,171
Total current liabilities		**36,887**	**43,780**
Non-current liabilities			
Long-term debt, net of current portion	6	116,360	117,251
Capital lease obligations, net of current portion	4	30,692	31,009
Deferred tax liability		19,944	21,105
Long-term liabilities		5,258	5,037
Total non-current liabilities		**172,254**	**174,402**
Total liabilities		**209,141**	**218,182**
Commitments and contingencies	7	—	—
STOCKHOLDERS' EQUITY			
Common stock — $1.00 par value: 50,000,000 authorized shares; 20,000 shares issued and outstanding as of March 31, 2011 and December 31, 2010		20	20
Additional paid-in capital		292,668	292,668
Retained earnings		20,571	17,342
Total Navios Logistics' stockholders' equity		**313,259**	**310,030**
Noncontrolling interest		19,556	19,249
Total stockholders' equity		**332,815**	**329,279**
Total liabilities and stockholders' equity		**$ 541,956**	**$ 547,461**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NAVIOS SOUTH AMERICAN LOGISTICS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in thousands of U.S. dollars — except share and per share data)

	Notes	Three Month Period Ended March 31, 2011 (unaudited)	Three Month Period Ended March 31, 2010 (unaudited)
Time charter, voyage and port terminal revenues		$ 36,577	$ 27,087
Sales of products		7,780	9,118
Time charter, voyage and logistics business expenses		(8,267)	(8,277)
Direct vessels expenses		(14,409)	(10,736)
Cost of products sold		(7,621)	(8,589)
Depreciation and amortization	4	(6,116)	(5,597)
General and administrative expenses		(2,827)	(3,397)
Interest income/(expense) and finance cost, net		(1,054)	(908)
Other expense, net		(1,504)	(1,519)
Income/(loss) before income taxes and noncontrolling interest		**$ 2,559**	**$ (2,818)**
Income taxes		977	789
Net income/(loss)		**3,536**	**(2,029)**
Less: Net (income)/loss attributable to the noncontrolling interest		(307)	249
Net income/(loss) attributable to Navios Logistics' stockholders		**$ 3,229**	**$ (1,780)**
Basic and diluted net income/(loss) per share attributable to Navios Logistics' stockholders		$ 0.1615	$ (0.0890)
Weighted average number of shares, basic and diluted	9	20,000	20,000

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NAVIOS SOUTH AMERICAN LOGISTICS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of U.S. dollars)

	Notes	Three Month Period Ended March 31, 2011 (unaudited)	Three Month Period Ended March 31, 2010 (unaudited)
OPERATING ACTIVITIES:			
Net income/(loss)		$ 3,536	$ (2,029)
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:			
Non cash adjustments		5,470	5,025
Decrease/(increase) in operating assets		1,180	(7,873)
(Decrease)/increase in operating liabilities		(8,058)	3,861
Payments for drydock and special survey costs		—	(307)
Net cash provided by/(used in) operating activities		**2,128**	**(1,323)**
INVESTING ACTIVITIES:			
Acquisition of vessels, port terminals and other fixed assets, net		(2,817)	(2,869)
Net cash used in investing activities		**(2,817)**	**(2,869)**
FINANCING ACTIVITIES:			
Repayment of long-term debt	6	(1,388)	(2,101)
Dividends to noncontrolling shareholders		—	(470)
Payments of obligations under capital leases	4	(302)	—
Proceeds from long-term loan	6	—	293
Deferred financing costs		(288)	(525)
Net cash used in financing activities		**(1,978)**	**(2,803)**
Net decrease in cash and cash equivalents		**(2,668)**	**(6,995)**
Cash and cash equivalents, beginning of period		**39,204**	**26,927**
Cash and cash equivalents, end of period		$ **36,536**	$ **19,932**
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid for interest		$ 1,014	$ 1,258
Cash paid for income taxes		$ —	$ 359
Non-cash financing activities:			
Other long-term liabilities		$ —	$ 16,565

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NAVIOS SOUTH AMERICAN LOGISTICS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of U.S. dollars — except share data)

	Shares amount	Common stock	Additional paid-in Capital	Retained earnings	Total Navios Logistics' Stockholders' Equity	Noncontrolling interest	Total Equity
Balance December 31, 2009	**20,000**	**$ 20**	**$ 281,798**	**$ 11,742**	**$ 293,560**	**$ 16,472**	**$ 310,032**
Dividends to noncontrolling shareholders		—	—	—	—	(470)	(470)
Net loss		—	—	(1,780)	(1,780)	(249)	(2,029)
Balance March 31, 2010 (unaudited)	**20,000**	**$ 20**	**$ 281,798**	**$ 9,962**	**$ 291,780**	**$ 15,753**	**$ 307,533**

	Shares amount	Common stock	Additional paid-in Capital	Retained earnings	Total Navios Logistics' Stockholders' Equity	Noncontrolling interest	Total Equity
Balance December 31, 2010	**20,000**	**$ 20**	**$ 292,668**	**$ 17,342**	**$ 310,030**	**$ 19,249**	**$ 329,279**
Net income		—	—	3,229	3,229	307	3,536
Balance March 31, 2011 (unaudited)	**20,000**	**$ 20**	**$ 292,668**	**$ 20,571**	**$ 313,259**	**$ 19,556**	**$ 332,815**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NOTE 1: DESCRIPTION OF BUSINESS

Nature of operations

Navios South American Logistics Inc. ("Navios Logistics" or the "Company"), together with its subsidiaries, is one of the largest logistics companies in the Hidrovia region of South America, serving the storage and marine transportation needs of its customers through two port storage and transfer facilities, one for grain commodities and the other for refined petroleum products, and a diverse fleet, consisting of vessels, barges and pushboats. Navios Logistics has combined its ports in Uruguay and Paraguay with its versatile fleet to create an end-to-end logistics solution for customers seeking to transport mineral and grain commodities and liquid cargoes through the Hidrovia region. The Company provides transportation for liquid cargo (hydrocarbons such as crude oil, gas oil, naphtha, fuel oil and vegetable oils), liquefied cargo (liquefied petroleum gas (LPG)) and dry cargo (cereals, cotton pellets, soybeans, wheat, limestone (clinker), mineral iron, and rolling stones).

Formation of Navios Logistics

Navios Logistics was incorporated under the laws of the Republic of the Marshall Islands on December 17, 2007. On January 1, 2008, pursuant to a Share Purchase Agreement, Navios Maritime Holdings Inc. ("Navios Holdings") (NYSE: NM) contributed: (a) $112,200 in cash and (b) all of the authorized capital stock of its wholly-owned subsidiary, Corporacion Navios Sociedad Anonima ("CNSA"), to Navios Logistics in exchange for 12,765 shares of Navios Logistics representing 63.8% (67.2% excluding contingent consideration) of Navios Logistics' outstanding stock. As part of the same transaction, Navios Logistics acquired 100% ownership of Horamar Group ("Horamar") in exchange for: (i) $112,200 in cash, of which $5,000 was escrowed and payable upon the attainment of certain EBITDA targets during specified periods through December 2008; and (ii) the issuance of 7,235 shares of Navios Logistics representing 36.2% (32.8% excluding contingent consideration) of Navios Logistics' outstanding stock, of which 1,007 shares were escrowed upon the attainment of certain EBITDA targets. During the year ended December 31, 2008, $2,500 in cash and 503 shares were released from escrow when Horamar achieved the interim EBITDA target. On March 20, August 19, and December 30, 2009, the Share Purchase Agreement was amended to postpone until June 17, 2010 the date for determining whether the EBITDA target was achieved. On June 17, 2010, following the release of $2,500 in cash and the 504 shares remaining in escrow upon the achievement of the EBITDA target thresholds, goodwill increased by $13,370, to reflect the changes in minority interests. Navios Holdings currently holds 63.8% of Navios Logistics' outstanding stock. The shares released from escrow on June 17, 2010 related to the Horamar acquisition were valued in the Company's financial statements at $10,870 on the basis of their estimated fair value on the date of the release. The fair value of the escrowed shares was estimated based on a discounted cash flow analysis prepared by the Company, which projected the expected future cash flows for its logistics business and discounted those cash flows at a rate that reflects the business' weighted-average cost of capital. This release was accounted for by increasing goodwill and increasing paid-in capital.

The Company used the following key methods and assumptions in the discounted cash flow analysis: (a) its free cash flows (EBITDA less capital expenditures and income taxes) for each of the years from 2010 through 2014 was projected on the basis of a compound annual growth rate for revenue of approximately 8.8%; (b) its cash flow projections were prepared on the basis of revenue producing assets that were owned by the logistics business as of the date of the analysis; (c) a terminal value for the business was calculated by applying a growth factor of 4.9% in perpetuity to projected free cash flow for the last specifically-forecasted year (2014); (d) its projected future cash flows, including the terminal value, were discounted using a weighted-average cost of capital of 12.9%; and (e) net debt of the business was deducted from the discounted cash flows in arriving at estimated fair value of the logistics business.

The 7,235 shares of Navios Logistics issued were valued at fair value as this was a transaction involving unrelated, independent parties, while the 12,765 shares issued to Navios Holdings in exchange for its 100% equity interest in CNSA were accounted for at carryover basis.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of Presentation:

The accompanying interim condensed consolidated financial statements are unaudited, but, in the opinion of management, reflect all adjustments for a fair presentation of Navios Logistics' consolidated financial positions, statement changes in equity, statements of operations and cash flows for the periods presented. Adjustments consist of normal, recurring entries. Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. The results of operations for the interim periods are not necessarily indicative of results for the full year. The footnotes are condensed as permitted by the requirements for interim financial statements and, accordingly, do not include information and disclosures required under United States generally accepted accounting principles ("GAAP") for complete financial statements. The December 31, 2010 balance sheet data was derived from audited financial statements, but do not include all disclosures required by GAAP. These interim financial statements should be read in conjunction with the Company's consolidated financial statements and notes included in Navios Logistics' 2010 audited consolidated financial statements and notes thereto.

(b) Principles of Consolidation

The accompanying interim consolidated financial statements include the accounts of Navios Logistics and its majority owned subsidiaries. All significant intercompany balances and transactions have been eliminated in the consolidated statements.

(c) Subsidiaries Included in the Consolidation:

Subsidiaries are those entities in which the Company has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. Barges, pushboats and other vessels acquired as part of a business combination are recorded at fair market value on the date of acquisition. Barges, pushboats and other vessels acquired as asset acquisitions are stated at historical cost, which consists of the contract price and any material expenses incurred upon acquisition (improvements and delivery expenses). The excess of the cost of acquisition over the fair value of the net assets acquired and liabilities assumed is recorded as goodwill.

Subsidiaries included in the consolidation:

Company Name	Country of Incorporation	Nature/Vessel Name	Percentage of Ownership	Statement of operations Period ended March 31, 2011	2010
Corporacion Navios S.A.	Uruguay	Operating Company	100%	1/1 — 03/31	1/1 — 03/31
Nauticler S.A.	Uruguay	Sub-Holding Company	100%	1/1 — 03/31	1/1 — 03/31
Compania Naviera Horamar S.A.	Argentina	Vessel-Operating Management Company	100%	1/1 — 03/31	1/1 — 03/31
Compania de Transporte Fluvial Int S.A.	Uruguay	Sub-Holding Company	100%	1/1 — 03/31	1/1 — 03/31
Ponte Rio S.A.	Uruguay	Operating Company	100%	1/1 — 03/31	1/1 — 03/31
Thalassa Energy S.A.	Argentina	Barge-Owning Company	62.50%	1/1 — 03/31	1/1 — 03/31
HS Tankers Inc.	Panama	Tanker-Owning Company	51%	1/1 — 03/31	1/1 — 03/31
HS Navigation Inc.	Panama	Tanker-Owning Company	51%	1/1 — 03/31	1/1 — 03/31
HS Shipping Ltd. Inc.	Panama	Tanker-Owning Company	62.50%	1/1 — 03/31	1/1 — 03/31
HS South Inc.	Panama	Tanker-Owning Company	62.50%	1/1 — 03/31	1/1 — 03/31
Petrovia Internacional S.A.	Uruguay	Land-Owning Company	100%	1/1 — 03/31	1/1 — 03/31

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

Company Name	Country of Incorporation	Nature/Vessel Name	Percentage of Ownership	Statement of operations Period ended March 31, 2011	2010
Mercopar S.A.	Paraguay	Operating/Barge-Owning Company	100%	1/1 — 03/31	1/1 — 03/31
Navegacion Guarani S.A.	Paraguay	Operating/Barge and Pushboat-Owning Company	100%	1/1 — 03/31	1/1 — 03/31
Hidrovia OSR S.A.	Paraguay	Tanker-Owning Company/Oil Spill Response & Salvage Services	100%	1/1 — 03/31	1/1 — 03/31
Mercofluvial S.A.	Paraguay	Operating/Barge and Pushboat-Owning Company	100%	1/1 — 03/31	1/1 — 03/31
Petrolera San Antonio S.A.	Paraguay	POA Facility-Owning Company	100%	1/1 — 03/31	1/1 — 03/31
Stability Oceanways S.A.	Panama	Barge and Pushboat-Owning Operating Company	100%	1/1 — 03/31	1/1 — 03/31
Hidronave South American Logistics S.A.	Brazil	Pushboat-Owning Company	51%	1/1 — 03/31	1/1 — 03/31
Navarra Shipping Corporation	Marshall Is.	Tanker-Owning Company	100%	1/1 — 03/31	—
Pelayo Shipping Corporation	Marshall Is.	Tanker-Owning Company	100%	1/1 — 03/31	—
Navios Logistics Finance (US) Inc	United States of America	Operating Company	100%	1/16 — 03/31	—

NOTE 3: CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	March 31, 2011	December 31, 2010
Cash on hand and at banks	$ 23,929	$ 26,080
Short-term deposits	12,607	13,124
Total cash and cash equivalents	**$ 36,536**	**$ 39,204**

Short-term deposits are comprised of deposits with banks with original maturities of less than 90 days.

NOTE 4: VESSELS, PORT TERMINALS AND OTHER FIXED ASSETS, NET

Vessels, port terminals and other fixed assets, net consist of the following:

Tanker Vessels, Barges and Push Boats	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2010	**$278,837**	**$ (42,637)**	**$ 236,200**
Additions	1,366	(4,181)	(2,815)
Balance March 31, 2011	**$ 280,203**	**$ (46,818)**	**$233,385**

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

Dry Port Terminal	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2010	**$ 39,501**	**$ (5,094)**	**$ 34,407**
Additions	712	(266)	446
Balance March 31, 2011	**$ 40,213**	**$ (5,360)**	**$ 34,853**

Oil Storage Plant and Port Facilities for Liquid Cargoes	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2010	**$ 25,757**	**$ (3,937)**	**$ 21,820**
Additions	188	(484)	(296)
Balance March 31, 2011	**$ 25,945**	**$ (4,421)**	**$ 21,524**

Other Fixed Assets	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2010	**$ 4,139**	**$ (433)**	**$ 3,706**
Additions	552	(79)	473
Balance March 31, 2011	**$ 4,691**	**$ (512)**	**$ 4,179**

Total	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2010	**$348,234**	**$ (52,101)**	**$296,133**
Additions	2,818	(5,010)	(2,192)
Balance March 31, 2011	**$351,052**	**$ (57,111)**	**$ 293,941**

Certain assets of the Company have been pledged as collateral for loan facilities. As of March 31, 2011 and December 31, 2010, the net book value of such assets was $45,787 and $45,568, respectively (See Note 6).

During the first quarter of 2010, Navios Logistics began the construction of a grain drying and conditioning facility at its dry port facility in Nueva Palmira, Uruguay. The facility, which is expected to be operative by the end of May 2011, has been financed entirely with funds provided by Navios Logistics' dry port operations. For the construction of the facility, Navios Logistics paid $3,043 during the year ended December 31, 2010 and $579 during the three month period ended March 31, 2011.

Additionally, during the three month period ended March 31, 2011, Navios Logistics performed some improvements relating to its vessels, the Estefania H and the Jiujang, amounting to $399 and $926, respectively.

In 2010, Navios Logistics acquired two pieces of land located at the south of the Nueva Palmira Free Zone as part of a project to develop a new transshipment facility for mineral ores and liquid bulks, paying a total of $987.

In February 2010, the Company took delivery of a product tanker, the Sara H. The purchase price of the vessel (including direct costs) amounted to approximately $17,981.

In June 2010, Navios Logistics entered into long-term bareboat agreements for two new product tankers, the Stavroula and the Jiujiang, each with a capacity of 16,871 dwt. The Jiujiang and the Stavroula were delivered in June and July 2010, respectively. Both tankers are chartered-in for a two-year period, and Navios Logistics has the obligation to purchase the vessels immediately upon the expiration of their respective charter periods. The purchase price of the vessels (including direct costs) amounted to approximately $19,643 and $17,904,

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

respectively. As of March 31, 2011, the obligations for these vessels were accounted for as capital leases and the lease payments during the three month period ended March 31, 2011 for both vessels were $302.

The following is an analysis of the leased property under capital leases:

Vessel	March 31, 2011
Jiujiang and Stavroula	$ 37,547
Less: Accumulated amortization	(295)
Net book value	**$ 37,252**

Future minimum lease payments under capital lease together with the present value of the future minimum lease payments as of March 31, 2011, are as follows:

Payment due by period	March 31, 2011
March 31, 2012	$ 2,196
March 31, 2013	30,993
Total future minimum lease payments (1)	**$ 33,189**
Less: amount representing interest (2)	(1,230)
Present value of future minimum lease payments (3)	**$ 31,959**

(1) There are no minimum sublease rentals to reduce minimum payments.

(2) Amount necessary to reduce net minimum lease payments to present value calculated at the Company's incremental borrowing rate at the inception of the lease.

(3) Reflected in the balance sheet as current and noncurrent obligations under capital leases of $1,267 and $30,692, respectively.

NOTE 5: INTANGIBLE ASSETS OTHER THAN GOODWILL

Intangible assets as of March 31, 2011 and December 31, 2010 consist of the following:

March 31, 2011	Acquisition Cost	Accumulated Amortization	Disposal/Transfer to Vessel Cost	Net Book Value March 31, 2011
Trade name	$ 10,420	$ (3,387)	$ —	$ 7,033
Port terminal operating rights	34,060	(4,834)	—	29,226
Customer relationships	36,120	(6,397)	—	29,723
Favorable lease terms	3,780	(2,569)	—	1,211
Total	**$ 84,380**	**$ (17,187)**	**$ —**	**$ 67,193**

December 31, 2010	Acquisition Cost	Accumulated Amortization	Disposal/Transfer to Vessel Cost	Net Book Value December 31, 2010
Trade name	$ 10,420	$ (3,126)	$ —	$ 7,294
Port terminal operating rights	34,060	(4,605)	—	29,455
Customer relationships	36,120	(5,954)	—	30,166
Favorable construction contracts (*)	4,400	—	(4,400)	—
Favorable lease terms	3,780	(2,396)	—	1,384
Total	**$ 88,780**	**$ (16,081)**	**$ (4,400)**	**$ 68,299**

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

(*) This amount is not amortized until the vessel is delivered. When a vessel is delivered, the amount is capitalized as part of the cost of the vessel and then depreciated over the remaining useful life of the vessel. Following the delivery of the tanker vessels Makenita H (in 2009) and Sara H (in 2010), $3,200 was transferred in 2009 and $4,400 was transferred in 2010 to the cost of the respective vessel.

Amortization expense, net for the three month period ended March 31, 2011 amounted to $1,106 ($1,119 for the three month period ended March 31, 2010).

The remaining aggregate amortization of acquired intangibles as of March 31, 2011 will be as follows:

Description	Within one year	Year two	Year three	Year four	Year five	Thereafter	Total
Trade name	$ 1,042	$ 1,042	$ 1,042	$ 1,042	$ 1,042	$ 1,823	$ 7,033
Port terminal operating rights	917	917	917	917	917	24,641	29,226
Customer relationships	1,775	1,775	1,775	1,775	1,775	20,848	29,723
Favorable lease terms	692	519	—	—	—	—	1,211
Total	**$ 4,426**	**$ 4,253**	**$ 3,734**	**$ 3,734**	**$ 3,734**	**$ 47,312**	**$ 67,193**

NOTE 6: BORROWINGS

Borrowings consist of the following:

	March 31, 2011
Marfin Loan	$ 70,000
Loan for Malva H	6,605
Loan for Estefania H	14,387
Loan for Makenita H	20,511
Loan for Sara H	13,813
Loan for Nazira	718
Total borrowing	126,034
Less: current portion	(9,674)
Total long-term borrowings	**$ 116,360**

Marfin Facility

On March 31, 2008, the Company entered into a $70,000 loan facility with Marfin Popular Bank for the purpose of providing Nauticler S.A. with investment capital to be used in connection with one or more investment projects. The loan was initially repayable in one installment by March 2011 and bore interest at LIBOR plus a margin of 175 basis points. In March 2009, the Company transferred its loan facility of $70,000 to Marfin Popular Bank Public Co. Ltd. The loan provided for an additional one year extension and increase of the margin to 275 basis points. On March 23, 2010, the loan was extended for one additional year, providing an increase of the margin to 300 basis points. On March 29, 2011, the Company agreed with Marfin Popular Bank to amend its current loan agreement with its subsidiary, Nauticler S.A., to provide for a $40,000 revolving credit facility. The amended facility provides for the existing margin of 300 basis points and will be secured by mortgages on four tanker vessels or alternative security over other assets acceptable to the bank. The amended facility requires compliance with customary covenants. The obligation of the bank under the amended facility is subject to prepayment of the existing facility and is subject to customary conditions, such as the receipt of satisfactory appraisals, insurance, opinions and the negotiation, execution and delivery of mutually satisfactory loan documentation. As of March 31, 2011, the amount outstanding under this facility was $70,000 and was included as long term debt. On April 12, 2011, following the completion of the sale of $200,000 of 9.25% senior unsecured notes (the “Senior Notes”) by Navios Logistics and Navios Logistics Finance (US) Inc., Navios Logistics fully repaid the $70,000 loan facility with Marfin Popular Bank using a portion of the proceeds from the 9.25% Senior Notes (See note 11).

Non-Wholly Owned Subsidiaries Indebtedness (see also Note 11)

Navios Logistics assumed a $9,500 loan facility that was entered into by its majority owned subsidiary, HS Shipping Ltd. Inc. in 2006, in order to finance the construction of a 8,974 dwt double-hull tanker, the Malva H. After the vessel's delivery, the interest rate has been LIBOR plus 150 basis points. The loan is repayable in installments of at least 90% of the amount of the last hire payment due by Horamar to be paid to HS Shipping Ltd. Inc. The repayment date must occur prior to December 31, 2011. The loan can be prepaid before such date, with two days written notice. The loan also requires compliance with certain covenants. As of March 31, 2011, the amount outstanding under this facility was $6,605 ($6,645 as of December 31, 2010).

Navios Logistics assumed a $2,286 loan facility that was entered into, by its majority owned subsidiary, Thalassa Energy S.A., in October 2007 in order to finance the purchase of two self-propelled barges, the Formosa and the San Lorenzo. The loan bears interest at LIBOR plus 150 basis points. The loan is repayable in five equal installments of $457, which were made in November 2008, June 2009, January 2010, August 2010, and March 2011. The loan also requires compliance with certain covenants. The loan is secured by a first priority mortgage over the two self-propelled barges. As of March 31, 2011, the amount outstanding under this facility was $0 ($457 as of December 31, 2010).

On September 4, 2009, Navios Logistics entered into a loan facility in order to finance the acquisition cost of the Estefania H for an amount of up to $18,710 that bears interest at LIBOR plus 225 basis points. The loan is repayable in installments of at least the higher of (a) 90% of the amount of the last hire payment due to HS Navigation Inc. prior to the repayment date; and (b) $250, inclusive of any interest accrued in relation to the loan at that time. The repayment must occur prior to May 15, 2016. As of March 31, 2011, the amount outstanding under this facility was $14,387 ($14,405 as of December 31. 2010). The loan also requires compliance with certain covenants.

On December 15, 2009, in order to finance the acquisition cost of Makenita H, Navios Logistics entered into a loan facility for $24,000 that bears interest at LIBOR plus 225 basis points. The loan is repayable in installments of at least the higher of (a) 90% of the amount of the last hire payment due to HS Tankers Inc. prior to the repayment date; and (b) $250, inclusive of any interest accrued in relation to the loan at that time. The repayment must occur prior to March 24, 2016. As of March 31, 2011, the amount outstanding under this facility was $20,511 ($21,093 as of December 31, 2010). The loan also requires compliance with certain covenants.

On December 20, 2010, in order to finance the acquisition cost of Sara H, Navios Logistics entered into a loan facility for $14,385 that bears interest at LIBOR plus 225 basis points. The loan is repayable in installments of at least the higher of (a) 90% of the amount of the last hire payment due to HS South Inc. prior to the repayment date; and (b) $250, inclusive of any interest accrued in relation to the loan at that time. The repayment must occur prior to May 24, 2016. As of March 31, 2011, the amount outstanding under this facility was $13,813 ($14,087 as of December 31, 2010). The loan also requires compliance with certain covenants.

Other Indebtedness

In connection with the acquisition of Hidronave S.A. on October 29, 2009, the Company assumed an $817 loan facility that was entered into by Hidronave S.A. in 2001 in order to finance the construction of the pushboat Nazira. As of March 31, 2011, the outstanding loan balance was $718 ($735 as of December 31, 2010). The loan facility bears interest at a fixed rate of 600 basis points. The loan is repayable in monthly installments of $6 each and the final repayment must occur prior to August 10, 2021. The loan also requires compliance with certain covenants.

In connection with the loans, the Company is subject to certain covenants and commitments and certain of its assets are restricted as collateral. The Company was in compliance with all the covenants as of the period ended March 31, 2011.

The maturity table below reflects future principal payments of the long-term debt outstanding as of March 31, 2011, for the next five years and thereafter.

Payment due by period	Amounts in thousands of U.S. dollars
March 31, 2012	$ 9,674
March 31, 2013	3,069
March 31, 2014	3,069
March 31, 2015	3,069
March 31, 2016	18,580
March 31, 2017 and thereafter	88,573
Total long-term borrowings	**$ 126,034**

NOTE 7: COMMITMENTS AND CONTINGENCIES

As part of the Horamar acquisition, the Company identified certain preacquisition contingencies amounting to $6,632 that were included in the allocation of the purchase price based on their respective fair values. The prior owners of Horamar agreed to indemnify the Company. As of March 31, 2011, the indemnity asset amounts to $4,922 ($4,674 as of December 31, 2010), which was included in other long term assets.

On August 19, 2009, the Company issued a guarantee and indemnity letter that guarantees the fulfillment by Petrolera San Antonio S.A. ("Petrosan") of all its obligations to Vitol S.A. ("Vitol") up to $4,000. On May 6, 2011, the guarantee amount was increased to $10,000. In addition, Petrosan agreed to pay Vitol immediately upon demand, any and all sums up to the referred limit, plus interest and costs, in relation to sales of gas oil under certain contracts between Vitol and Petrosan. This guarantee will expire on August 18, 2011.

The Company is subject to legal proceedings, claims and contingencies arising in the ordinary course of business. When such amounts can be estimated and the contingency is probable, management accrues the corresponding liability. While the ultimate outcome of lawsuits or other proceedings against the Company cannot be predicted with certainty, management does not believe the costs of such actions will have a material effect on the Company's consolidated financial position or results of operations.

As of March 31, 2011, the Company's future minimum commitments, net of commissions under chartered-in vessels, barges and pushboats were as follows:

	Amounts in thousands of U.S. dollars
March 31, 2012	5,952
March 31, 2013	4,284
March 31, 2014	1,601
	$ 11,837

NOTE 8: TRANSACTIONS WITH RELATED PARTIES

Balance due to affiliates as of March 31, 2011 amounted to $318 (December 31, 2010: $155) which includes the current amounts due to Navios Holdings. Such payables do not accrue interest and do not have a specific due date for their settlement.

Navios Logistics rents barges and pushboats and pays expenses for lodging at companies indirectly owned by certain of Navios Logistics' directors and officers. In relation to these transactions, amounts payable to related parties other than Navios Holdings amounted to $480 as of March 31, 2011 ($322 as of December 31, 2010) and rent and services expense for the three month period ended March 31, 2011, amounted to $539 ($540 for the three month period ended March 31, 2010).

Leases: On October 2, 2006, Petrovia S.A. and Mercopar SACI, two wholly owned subsidiaries of Navios Logistics, entered into lease agreements with Holdux Maritima Leasing Corp., a Panamanian corporation owned by the estate of Horacio A. Lopez (the father of Claudio Pablo Lopez, Carlos Augusto Lopez and Horacio Enrique Lopez). The lease agreements provide for the leasing of one pushboat and three tank barges. The total annual lease payments are $620 and lease agreements expire in October 2011.

On July 1, 2007, Compania Naviera Horamar S.A., a wholly owned subsidiary of Navios Logistics, entered into two lease agreements with Mercotrans S.A. and Mercoparana S.A., two Argentinean corporations owned by the estate of Horacio A. Lopez (the father of Claudio Pablo Lopez, Carlos Augusto Lopez and Horacio Enrique Lopez). The lease agreements provide for the leasing of one pushboat and three tank barges. The total annual lease payments are $1,500 and the lease agreements expire in 2012.

Lodging: Compania Naviera Horamar S.A., a wholly owned subsidiary of Navios Logistics, obtains lodging services from Empresa Hotelera Argentina S.A./(NH Lancaster) an Argentinean corporation owned by certain of Navios Logistics' directors and officers, including Claudio Pablo Lopez, Navios Logistics' Chief Executive Officer and Carlos Augusto Lopez, Navios Logistics' Chief Commercial Officer—Shipping Division, each of whom does not have a controlling interest in those companies. The total expense payments for the three month period ended March 31, 2011 were $9 ($10 in 2010).

Certain back-office, information and technology and other administrative services have been rendered to the Company by Navios Holdings, its controlling shareholder. As the amounts involved are deemed to be immaterial, these transactions have not been disclosed in these consolidated financial statements.

The Company believes that the transactions discussed above were made on terms no less favorable to the Company than would have been obtained from unaffiliated third parties.

Employment Agreements

The Company has executed employment agreements with several of its key employees who are noncontrolling shareholders of the Company. These agreements stipulate, among other things, severance and benefit arrangements in the event of termination. In addition, the agreements include confidentiality provisions and covenants not to compete.

The employment agreements initially expired on December 31, 2009, but renew automatically for successive one-year periods until either party gives 90 days written notice of its intention to terminate the agreement. Generally, the agreements call for a base salary ranging from $280 to $340 per year, annual bonuses and other incentives, provided certain performance targets are achieved. Under the agreements, the Company accrued compensation totalling $244 for the three month period ended March 31, 2011 ($244 for the three month period ended March 31, 2010).

NOTE 9: SHARE CAPITAL

Common shares and shareholders

On August 4, 2010, the Company amended its articles of incorporation and increased its authorized share capital to 50,000,000 shares of common stock with a par value of $0.01 per share.

As of March 31, 2011 and December 31, 2010, the Company has issued 20,000 shares of common stock at $1.00 per share par value.

Holders of each share of common stock have one vote for each share held of record on all matters submitted to a vote of shareholders. Dividends on shares of common stock may be declared and paid from funds available to the Company.

The 1,007 shares issued as part of the Horamar Group acquisition were released from escrow to the former shareholders of Horamar upon achievement of the EBITDA target threshold. The 1,007 shares have been reflected as part of the Company's outstanding shares from the date of issuance since these shares were irrevocably issued on January 1, 2008 with the identity of the ultimate recipient to be determined at a future date. Following the achievement of the EBITDA targets mentioned in Note 1, the shares were delivered to the Horamar Group shareholders, otherwise they would have been delivered to Navios Holdings.

NOTE 10: SEGMENT INFORMATION

Current accounting guidance establishes standards for reporting information about operating segments in annual financial statements and requires reporting of selected information about operating segments in interim financial reports issued to shareholders. Operating segments are components of a company about which separate financial information is available that is regularly evaluated by the chief operating decision makers in deciding how to allocate resources and assess performance. The statement also establishes standards for related disclosures about a company's products and services, geographical areas and major customers. The Company has determined that its reportable segments are those that are based on the Company's method of internal reporting. Historically, Navios Logistics had two reportable segments, Logistics Business and Dry Port Terminal Business. Since Navios Logistics was formed by the business combination between CNSA and Horamar, Navios Logistics has grown its vessel fleet from approximately 123 vessels, including barges, pushboats and tankers, to 236 vessels through acquisitions of vessels and the acquisition of a 51% interest in Hidronave S.A., a Brazilian pushboat operator. Additionally, Navios Logistics expanded its Uruguayan port terminal with the addition of a new silo with 80,000 metric tons of storage capacity in 2009, and in 2010 Navios Logistics acquired additional land and began the installation of a grain drying and conditioning facility, which is expected to be operational by the end of May 2011. Following these recent business developments, beginning in 2011, Navios Logistics reports its operations based on three reportable segments: Port Terminal Business, Barge Business and Cabotage Business. The Port Terminal Business includes the dry port terminal operations (previously identified as the Dry Port Terminal Business) and the liquid port terminal operations previously included in the Logistics Business segment. The previously identified Logistics Business segment is further split to form the Barge Business segment and the Cabotage Business segment. The information for the three month period ended March 31, 2010 has been reclassified in accordance with the new reportable segments. The information reported to the chief operating decision maker has been modified in accordance with the change in reportable segments. A general description of each segment follows:

The Port Terminal Business segment:

This segment includes the operating results of Navios Logistics' dry port terminal and liquid port terminal operations.

(i) Dry port terminal operations

Navios Logistics owns and operates the largest independent bulk transfer and storage port terminal in Uruguay. Its dry port terminal is located in an international tax-free trade zone in the port of Nueva Palmira, Uruguay, at the convergence of the Parana and Uruguay rivers. The terminal operates 24 hours per day, seven days per week, and is ideally located to provide its customers, primarily leading international grain and commodity houses, with a convenient and efficient outlet for the transfer and storage of a wide range of commodities originating in the Hidrovia region.

(ii) Liquid port terminal operations

Navios Logistics owns and operates an up-river port terminal with tank storage for refined petroleum products, oil and gas in San Antonio, Paraguay, approximately 17 miles by river from the capital of Asuncion. Its port terminal is the largest independent storage facility for crude and petroleum products in Paraguay. The port facility serves international operators from Paraguay and Bolivia supplying products that support the growing demand for energy. Because Paraguay is not an oil producing country, its needs for both crude and refined petroleum products are served entirely by imports. The main sources of supply are from Argentina and, to a much lesser extent, Bolivia. The strategic location of the terminal at the center of the Paraguay-Parana waterway has comparative advantages for the provision of services to both southern and northern regions.

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

The Barge Business segment

Navios Logistics services the Argentine, Bolivian, Brazilian, Paraguayan and Uruguayan river transportation markets through its fleet. Navios Logistics operates different types of pushboats and wet and dry barges for delivering a wide range of dry and liquid products between ports in the Parana, Paraguay and Uruguay River systems in South America (the Hidrovia or the "waterway"). Navios Logistics contracts its vessels either on a time charter basis or on a Contract of Affreightment ("CoA") basis.

The Cabotage Business segment

Navios Logistics owns and operates oceangoing vessels to support the transportation needs of its customers in the South American coastal trade business. The Company believes it operates the largest and youngest Argentine cabotage fleet. Its fleet consists of six oceangoing product tanker vessels and two self propelled barges. Navios Logistics contracts its vessels either on a time charter basis or on a CoA basis.

Inter-segment transactions, if any, are accounted for at current market prices. The Company evaluates performance of its segments and allocates resources to them based on net income.

The following table describes the results of operations of the three segments, the Port Terminal Business segment, the Barge Business segment and the Cabotage Business segment for the three month periods ended March 31, 2011 and 2010:

	Port Terminal Business Segment for the Three Month Period Ended March 31, 2011	Cabotage Business Segment for the Three Month Period Ended March 31, 2011	Barge Business Segment for the Three Month Period Ended March 31, 2011	Total
Time charter, voyage and port terminal revenues	$ 5,216	$ 11,156	$ 20,205	$36,577
Sales of products	7,780	—	—	7,780
Time charter, voyage and logistics business expenses	(1,756)	(457)	(6,054)	(8,267)
Direct vessels expenses	—	(5,497)	(8,912)	(14,409)
Cost of products sold	(7,621)	—	—	(7,621)
Depreciation and amortization	(979)	(1,021)	(4,116)	(6,116)
General and administrative expenses	(484)	(60)	(2,283)	(2,827)
Interest income/expense and finance costs, net	122	(479)	(697)	(1,054)
Other income/(expense), net	577	(1,212)	(869)	(1,504)
Income/(loss) before taxes	**2,855**	**2,430**	**(2,726)**	**2,559**
Income taxes	—	(287)	1,264	977
Net income/(loss)	**2,855**	**2,143**	**(1,462)**	**3,536**
Less: Net (income)/loss attributable to the noncontrolling interest	—	(413)	106	(307)
Net income/(loss) attributable to Navios Logistics' stockholders	**$ 2,855**	**$ 1,730**	**$ (1,356)**	**$ 3,229**

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

	Port Terminal Business Segment for the Three Month Period Ended March 31, 2010	Cabotage Business Segment for the Three Month Period Ended March 31, 2010	Barge Business Segment for the Three Month Period Ended March 31, 2010	Total
Time charter, voyage and port terminal revenues	$ 4,172	$ 6,836	$ 16,079	$ 27,087
Sales of products	9,118	—	—	9,118
Time charter, voyage and logistics business expenses	(1,635)	(705)	(5,937)	(8,277)
Direct vessels expenses	—	(3,162)	(7,574)	(10,736)
Cost of products sold	(8,589)	—	—	(8,589)
Depreciation and amortization	(843)	(766)	(3,988)	(5,597)
General and administrative expenses	(581)	(72)	(2,744)	(3,397)
Interest income/expense and finance cost, net	17	(283)	(642)	(908)
Other (expense)/income, net	(107)	(1,463)	51	(1,519)
Income(loss) before taxes	**1,552**	**385**	**(4,755)**	**(2,818)**
Income taxes	(11)	(389)	1,189	789
Net income/(loss)	**1,541**	**(4)**	**(3,566)**	**(2,029)**
Less: Net (income)/loss attributable to the noncontrolling interest	—	156	93	249
Net income/(loss) attributable to Navios Logistics' stockholders	**$ 1,541**	**$ 152**	**$ (3,473)**	**$ (1,780)**

For the Barge Business segment and for the Cabotage Business segment, the Company's vessels operate on a regional basis and are not restricted to specific locations. Accordingly, it is not possible to allocate the assets of these operations to specific locations. The total net book value of long-lived assets for vessels amounted to $233,385 and $236,200 as of March 31, 2011 and December 31, 2010, respectively.

All of the assets related to the Port Terminal Business segment are located in Uruguay and in Paraguay. The total net book value of long-lived assets for the Port Terminal Business segment, including constructions in progress, amounted to $56,377 and $56,227 as of March 31, 2011 and December 31, 2010, respectively.

In addition, the net book value of intangible assets other than goodwill allocated to the Barge Business segment and to the Cabotage Business segment, collectively, amounted to $37,967 and $38,844 as of March 31, 2011 and December 31, 2010, respectively, while the net book value of intangible assets allocated to the Port Terminal segment amounted to $29,226 and $29,455 as of March 31, 2011 and December 31, 2010, respectively.

NOTE 11: SUBSEQUENT EVENTS

(a) $200,000 9.25 % Senior Notes due 2019

On April 12, 2011, Navios Logistics and Navios Logistics Finance (US) Inc., its wholly owned subsidiary completed the sale of $200,000 in Senior Notes due on April 15, 2019 at a fixed rate of 9.25%. The Senior Notes are fully and unconditionally guaranteed, jointly and severally, by all of Navios Logistics' direct and indirect subsidiaries except for Thalassa Energy S.A., HS Tankers Inc., HS Navigation Inc., HS Shipping Ltd. Inc., HS South Inc., Hidronave South American Logistics S.A. and Navios Logistics Finance (US) Inc.

The net proceeds from the Senior Notes were approximately $194,000, after deducting fees and estimated expenses relating to the offering. The net proceeds from the Senior Notes will be used to (i) repay existing indebtedness including indebtedness of its non-wholly

owned subsidiaries excluding Hidronave South American Logistics S.A. ("non-wholly owned subsidiaries"), (ii) purchase barges and pushboats and (iii) to the extent there are remaining proceeds after the uses in (i) and (ii), for general corporate purposes. Any repayments of indebtedness of its non-wholly owned subsidiaries may require an agreement with its non wholly owned subsidiaries partners. There can be no assurance as to the actual amount of any such debt repayment out of the proceeds of the Senior Notes. In any event, any amounts not used to repay such indebtedness within 180 days of the closing of the Senior Notes will be used, together with other resources, to fund the purchase option for the assets underlying its capital lease obligations, resulting in a termination of amounts owing under the capital lease. On April 12, 2011, Navios Logistics used the net proceeds from the Senior Notes to fully repay the $70,000 loan facility with Marfin Popular Bank.

(b) Acquisition of pushboats

On April 15, 2011, Navios Logistics used a portion of the net proceeds of the Senior Notes to pay $8,700 for the acquisition and upgrading of two pushboats named William Hank and Lonny Fugate and, on May 2, 2011, the Company used a portion of such proceeds to pay $600, representing a deposit on the purchase price for the acquisition of the pushboat named WW Dyer.

SIGNATURES

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

NAVIOS SOUTH AMERICAN LOGISTICS INC.

By: /s/ Claudio Pablo Lopez
Claudio Pablo Lopez
Chief Executive Officer
Date: May 25, 2011

Furnished pursuant to Section 4.17 of the Indenture governing the 9¼% Senior Notes due 2019