Navios Maritime Partners L.P.
Form F-1/A
November 01, 2007

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As filed with the Securities and Exchange Commission on November 1, 2007

Registration Statement No. 333-146972

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1
to
FORM F-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

NAVIOS MARITIME PARTNERS L.P.

(Exact name of registrant as specified in its charter)

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

85 Akti Miaouli Street
Piraeus, Greece 185 38
(011) +30 210 459 5000

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

Trust Company of the Marshall Islands, Inc.
Trust Company Complex, Ajeltake Island
P.O. Box 1405
Majuro, Marshall Islands MH96960

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

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

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

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

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

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

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box.

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

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

Subject to completion,
Preliminary Prospectus dated November 1, 2007

PROSPECTUS

10,000,000 Common Units

Navios Maritime Partners L.P.

Representing Limited Partner Interests

We are a Marshall Islands limited partnership recently formed by Navios Maritime Holdings Inc. This is the initial public offering of our common units. We anticipate that the initial public offering price of our common units will be between $19.00 and $21.00 per common unit. Concurrently with this offering, we are offering 500,000 of our common units, at the public offering price, directly to a corporation owned by Angeliki Frangou, our Chairman and Chief Executive Officer.

Although we are organized as a partnership, we have elected to be treated as a corporation solely for U.S. federal income tax purposes. Prior to this offering, no public market existed for the common units. Our common units have been approved for listing on the New York Stock Exchange, subject to official notice of issuance, under the symbol ‘‘NMM.’’

Investing in our common units involves risks that are described in the ‘‘Risk Factors’’ section beginning on page 18 of this prospectus.

These risks include the following:

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

- Charter rates for drybulk carriers may fluctuate substantially over time, due to the cyclical nature of the international drybulk shipping industry, and may be lower when we are attempting to recharter our vessels, which could materially adversely affect our operating results and cash available for distribution.

- We must make substantial capital expenditures to maintain and expand our fleet, which will reduce our cash available for distribution.

- Our debt levels may limit our flexibility in obtaining additional financing and in pursuing other business opportunities.

- The loss of a customer or charter or vessel could result in a loss of revenues and cash flow in the event we are unable to replace such customer, charter or vessel.

- Historically high numbers of newbuildings are currently under construction in the drybulk industry, which could have a material adverse effect on our future results of operations.

- We depend on Navios Maritime and its affiliates to assist us in operating and expanding our business.

- Navios Maritime and its affiliates may compete with us.

- Unitholders have limited voting rights and our partnership agreement restricts the voting rights of unitholders owning more than 4.9% of our common units.

- Our general partner and its affiliates, including Navios Maritime, own a significant interest in us and have conflicts of interest and limited fiduciary and contractual duties, which may permit them to favor their own interests to your detriment.

- Fees and cost reimbursements, which our manager will determine for services provided to us, will be significant, will be payable regardless of profitability and will reduce our cash available for distribution.

- Our partnership agreement contains provisions that may have the effect of discouraging a person or group from attempting to remove our current management or our general partner, and even if public unitholders are dissatisfied, they will be unable to remove our general partner without Navios Maritime's consent, unless Navios Maritime's ownership share in us is decreased.

- You will experience immediate and substantial dilution of $21.30 per common unit.

	Per Common Unit	Total
Public offering price	$	$
Underwriting discount(1)	$	$
Proceeds, before expenses, to Navios Maritime Partners L.P.	$	$

(1) Excludes a financial advisory fee in an aggregate amount of $ million, or $ million if the underwriters exercise their overallotment option in full, payable to Merrill Lynch & Co. and S. Goldman Advisors LLC.

The underwriters also may purchase up to an additional 1,500,000 common units from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus to cover overallotments.

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

The common units will be ready for delivery on or about , 2007.

Merrill Lynch & Co. JPMorgan

Cantor Fitzgerald & Co.

S. Goldman Advisors LLC

DVB Capital Markets

The date of this prospectus is , 2007.

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

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Summary

This summary highlights information contained elsewhere in this prospectus. Unless we otherwise specify, all references to information and data in this prospectus about our business refer to the business and fleet that will be transferred to us in connection with this offering. You should read the entire prospectus carefully, including the historical financial statements and the notes to those financial statements. The information presented in this prospectus assumes, unless otherwise noted, (a) an initial public offering price of $20.00 per common unit and (b) that the underwriters' overallotment option is not exercised. You should read ''Risk Factors'' for more information about important risks that you should consider carefully before buying our common units. We include a glossary of some of the terms used in this prospectus in Appendix B. Unless otherwise indicated, all references to ''dollars'' and ''$'' in this prospectus are to, and amounts are presented in, U.S. Dollars. Yen amounts translated to U.S. Dollars, unless otherwise indicated, have been translated at a rate of 120 Yen per $1.00. Such translation is solely for convenience and should not be construed as a representation that the Yen amounts actually represent such U.S. Dollar amounts or could be converted into U.S. Dollars at the rate indicated or any other rate. Unless otherwise indicated, all data regarding our fleet and the terms of our charters is as of June 30, 2007 and all industry data is as of September 30, 2007.

References in this prospectus to ''Navios Maritime Partners L.P.,'' ''we,'' ''our,'' ''us'' or similar terms when used in a histor context refer to the assets of Navios Maritime Holdings Inc. and its vessels and vessel-owning subsidiaries that are being sold, transferred or contributed to Navios Maritime Partners L.P. in connection with this offering. When used in the present tense or prospectively, those terms refer, depending on the context, to Navios Maritime Partners L.P. or any one or more of its subsidiaries, or to all of such entities.

References in this prospectus to ''Navios Maritime'' refer, depending on the context, to Navios Maritime Holdings Inc. or any one or more of its subsidiaries, including Navios ShipManagement Inc., or Navios ShipManagement. Navios ShipManagement (an affiliate of our general partner) will manage the commercial and technical operation of our fleet pursuant to a management agreement that it will enter into with us in connection with the closing of this offering and will provide administrative services to us pursuant to an administrative services agreement that it will enter into with us in connection with the closing of this offering.

Navios Maritime Partners L.P.

We are an international owner and operator of drybulk carriers newly formed by Navios Maritime Holdings Inc. (NYSE: NM), a vertically integrated seaborne shipping company with over 50 years of operating history in the drybulk shipping industry. Our vessels are chartered out under long-term time charters with an average remaining term of approximately 5.2 years to a strong group of counterparties consisting of Cargill International SA, COSCO Bulk Carrier Co., Ltd., Mitsui O.S.K. Lines, Ltd., Rio Tinto Shipping Pty Ltd., Augustea Atlantica SrL Charterers, The Sanko Steamship Co., Ltd. and Daiichi Chuo Kisen Kaisha. Upon the closing of this offering, Navios Maritime will own a 43.2% interest in us, including a 2.0% interest through our general partner which Navios Maritime owns and controls.

Following this offering, our fleet will consist of six modern, active Panamax vessels, one modern Capesize vessel and one newbuild Panamax vessel that is contracted to be chartered to us, or chartered-in, under a long-term charter in 2008. We have also entered into an agreement with Navios Maritime to acquire an additional Capesize vessel, Navios TBN I, once it is delivered to Navios Maritime in June 2009, and have an option to acquire an additional Capesize vessel, Navios TBN II, from Navios Maritime upon delivery of such vessel to Navios Maritime, which is expected in October 2009. Assuming delivery of Navios TBN I in June 2009, our fleet of high-quality Panamax and Capesize vessels will have an average age of approximately 5.5 years in June 2009, which is significantly younger than the current industry average of 15.0 years. Panamax vessels are highly flexible vessels capable of carrying a wide range of drybulk commodities, including iron ore, coal,

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grain and fertilizer and of being accommodated in most major discharge ports, while Capesize vessels are primarily dedicated to the carriage of iron ore and coal.

We plan to use the expertise and reputation of Navios Maritime to pursue additional growth opportunities in the Panamax and Capesize markets and in other drybulk shipping markets. We will seek to grow our fleet through purchasing additional vessels from Navios Maritime, selectively pursuing open market acquisition opportunities and entering into long-term charter-in contracts. Pursuant to the omnibus agreement we will enter into with Navios Maritime, we will have the right to purchase additional Panamax and Capesize vessels from Navios Maritime when those vessels are fixed under charters of three or more years upon the expiration of their current charters or upon completion of their construction. We believe that current conditions in our industry will present us with opportunities to make third-party acquisitions and enter into long-term charter-in contracts.

Navios Maritime will manage the commercial and technical operation of our fleet through its wholly-owned subsidiary, Navios ShipManagement. Navios Maritime has an experienced management team with a long track record, a reputation for technical expertise in managing and operating vessels, and strong relationships with leading charterers and shipyards. We believe we will have stable and growing cash flows through the combination of the long-term nature of our charters and our commercial and technical management agreement with Navios ShipManagement, which provides for a fixed management fee for two years from the closing of this offering.

The following table provides summary information about our fleet:

Vessel	Year Built	Capacity (Dwt)	Ownership	Original Charter Expiration Date/New Charter Expiration Date(1)	Original Charter-Out Rate/New Charter-Out Rate Per Day(2)
Initial Fleet:					
Fantastiks	2005	180,265	Chartered-in(3)	March 2011	$32,279
Navios Alegria	2004	76,466	100%	December 2007/ December 2010	$19,475/ $23,594
Navios Felicity	1997	73,867	100%	April 2008/ April 2013	$9,595/ $26,169
Navios Galaxy I	2001	74,195	100%	January 2008/ January 2018	$24,062/ $21,937
Navios Gemini S	1994	68,636	100%	February 2009/ February 2014	$19,523/ $24,225
Navios Libra II	1995	70,136	100%	December 2007/ December 2010	$21,613/ $23,513
Navios Prosperity	2007	82,535	Chartered-in(4)	June 2012	$24,000
Newbuilding:					
Navios Aldebaran	Expected delivery March 2008	76,500	Chartered-in(5)	March 2013	$28,391
Navios TBN I(6)	Expected delivery June 2009	180,000	100%	June 2014	$47,400

(1)
Represents the initial expiration date of the time charter and, if applicable, the new time charter expiration date for the vessels with new time charters. (2) Net time charter-out rate per day (net of commissions). Represents the charter-out rate during the time charter period prior to the time charter expiration date and, if applicable, the charter-out rate under the new time charter. (3) Fantastiks is chartered-in through March 2008. We have exercised the option to purchase the vessel in March 2008 at a purchase price of $34.2 million.

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Table of Contents (4) Navios Prosperity is chartered-in for seven years and we will have options to extend for two one-year periods. We have the option to purchase the vessel after June 2012 at a purchase price that is initially 3.8 billion Yen ($31.7 million), declining pro rata by 145 million Yen ($1.21 million) per calendar year. (5) We expect that Navios Aldebaran will be delivered in March 2008. Navios Aldebaran will be chartered-in for seven years and we will have options to extend for two one-year periods. We will have the option to purchase the vessel after March 2013 at a purchase price that is initially 3.6 billion Yen ($30.0 million) declining pro rata by 150 million Yen ($1.25 million) per calendar year. (6) We will acquire Navios TBN I, when it is delivered in June 2009, from Navios Maritime for $130.0 million, which we expect to fund through borrowings under our new credit facility and the issuance of additional common units.

Our Relationship with Navios Maritime

One of our key strengths is our relationship with Navios Maritime (NYSE: NM), one of the world's largest independent drybulk operators with a market capitalization of approximately $1.9 billion as of October 31, 2007. Navios Maritime's business was established by United States Steel Corporation in 1954 and has over 50 years of experience working with raw material producers, agricultural traders and exporters, and industrial end-users. Navios Maritime's senior management have on average over 20 years of experience in the shipping industry. We intend to use Navios Maritime's extensive experience and relationships to source accretive acquisitions and secure long-term time charters for our vessels.

Business Opportunities

We believe that the following factors create opportunities for us to successfully execute our business plan and grow our business:

- Additional demand for seaborne transportation of drybulk commodities. The marine industry is fundamental to international trade, as it is the only practical and cost effective means of transporting large volumes of basic commodities and finished products over long distances. In 2006, approximately 2.8 billion tons of drybulk cargo was transported by sea, comprising more than one-third of all international seaborne trade. From 2001 to 2006, trade in all drybulk commodities experienced an aggregate increase of 29%, primarily driven by increasing global industrial production and consumption and international trade, economic growth and urbanization in China, Russia, Brazil, India and the Far East. We believe that these global market dynamics will continue for the foreseeable future.
- Increased demand for long-term time charter contracts with modern drybulk vessels. Many customers are seeking longer-term time charter contracts in order to secure tonnage for the carriage of their drybulk shipments. This trend is being driven by several factors, including several inefficient infrastructure bottlenecks that are causing delays in cargo discharging and loading at main exporting terminals worldwide. These delays, coupled with increasing voyage lengths from producers to consumers requiring additional ton-miles to service the demands of the global drybulk trade, are reducing the supply of vessels available for hire at any particular time. The increased age of the world drybulk fleet and the limited near-term availability of newbuilding berths have also increased the demand for long-term contracts with modern drybulk vessels.

We can provide no assurance, however, that the industry dynamics described above will continue or that we will be able to expand our business. For further discussion of the risks that we face, see ''Risk Factors'' beginning on page 18 of this prospectus. Please read ''The International Drybulk Shipping Industry.''

Competitive Strengths

We believe we are well positioned to execute our business strategies successfully because of the following competitive strengths:

- Stable and growing cash flows. We believe that the long-term, fixed-rate nature of our charters will provide a stable base of revenue. In addition, we believe our commitment to charter-in one additional newbuild vessel scheduled for delivery in 2008, the exercise of the purchase option for Fantastiks, the purchase of the Navios TBN I upon its anticipated delivery in June 2009, and the potential exercise of our option to purchase Navios TBN II, as well as the potential opportunity to purchase additional vessels from Navios Maritime provide visible future growth in our revenue and distributable cash flow.
- Strong relationship with Navios Maritime. We believe our relationship with Navios Maritime and its affiliates provides us with numerous benefits that are key to our long-term growth and success, including Navios Maritime's expertise in commercial management and Navios Maritime's reputation within the shipping industry and network of strong relationships with many of the world's drybulk raw material producers, agricultural traders and exporters, industrial end-users, shipyards, and shipping companies.
- High-quality, flexible fleet. Following this offering, our fleet will consist of six modern active Panamax vessels, one modern Capesize vessel, one newbuild Panamax vessel that is contracted to be chartered-in to us in 2008 and one newbuild Capesize vessel, Navios TBN I, that we are scheduled to acquire in June 2009. We will also have an option to acquire one newbuild Capesize vessel, Navios TBN II, from Navios Maritime that Navios Maritime is scheduled to acquire in October 2009. Assuming delivery of Navios TBN I in June 2009, our fleet of high-quality vessels will have an average age of approximately 5.5 years in June 2009, compared to a current industry average age of 15.0 years. Our vessels are highly flexible vessels capable of carrying a wide range of drybulk commodities. We believe that our high-quality, flexible fleet provides us with a competitive advantage in the time charter market, where vessel age, flexibility and quality are of significant importance in competing for business.
- Operating visibility through long-term charters with strong counterparties. All of our vessels are chartered out under long-term time charters with an average remaining charter duration of 5.2 years to a strong group of counterparties consisting of Cargill International SA, COSCO Bulk Carrier Co., Ltd., Mitsui O.S.K. Lines, Ltd., Rio Tinto Shipping Pty Ltd., Augustea Atlantica SrL Charterers, The Sanko Steamship Co., Ltd. and Daiichi Chuo Kisen Kaisha. In addition, Navios TBN I, which we are scheduled to acquire from Navios Maritime in June 2009, will be chartered for five years to Mitsui O.S.K. Lines, Ltd. We believe our existing charter coverage with strong counterparties provides us with predictable contracted revenues and operating visibility.

We can provide no assurance, however, that we will be able to utilize our strengths described above. For further discussion of the risks that we face, see ‘‘Risk Factors’’ beginning on page 18 of this prospectus.

Business Strategies

Our primary business objective is to increase quarterly distributions per unit over time by executing the following strategies:

- Pursue stable cash flows through long-term charters for our fleet. We intend to continue to utilize long-term, fixed-rate charters for our existing fleet. Currently, the vessels in our fleet have an average remaining charter duration of 5.2 years and have staggered charter expirations with no more than two vessels subject to re-chartering in any one year.

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- Continue to grow and diversify our fleet of owned and chartered-in vessels. We will seek to make strategic acquisitions to expand our fleet in order to capitalize on the demand for drybulk carriers in a manner that is accretive to distributable cash flow per unit. We will have the right to purchase certain additional drybulk vessels currently owned or chartered-in by Navios Maritime when those vessels are fixed under long-term charters for a period of three or more years. In addition, we will seek to expand and diversify our fleet through the open market purchase of owned and chartered-in drybulk vessels with charters of three or more years.
- Capitalize on our relationship with Navios Maritime and expand our charters with recognized charterers. We believe that we can use our relationship with Navios Maritime and its established reputation in order to obtain favorable long-term time charters and attract new customers. We plan to increase the number of vessels we charter to our existing charterers and will seek new charterers to develop a portfolio that is diverse from a customer, geographic and maturity perspective.
- Provide superior customer service by maintaining high standards of performance, reliability and safety. Our customers seek transportation partners that have a reputation for high standards of performance, reliability and safety. We intend to use Navios Maritime's operational expertise and customer relationships to further expand a sustainable competitive advantage with consistent delivery of superior customer service.

We can provide no assurance, however, that we will be able to implement our business strategies described above. For further discussion of the risks that we face, see ''Risk Factors'' beginning on page 18 of this prospectus.

Risk Factors

An investment in our common units involves risks associated with our business, our partnership structure and the tax characteristics of our common units, including those set forth below. Please read carefully these and other risks described under ''Risk Factors'' beginning on page 18 of this prospectus.

- We may not have sufficient cash from operations to enable us to pay the minimum quarterly distribution on our common units following the establishment of cash reserves and payment of fees and expenses.
- Charter rates for drybulk carriers may fluctuate substantially over time, due to the cyclical nature of the international drybulk shipping industry, and may be lower when we are attempting to recharter our vessels, which could materially adversely affect our operating results and cash available for distribtuion.
- We must make substantial capital expenditures to maintain and expand our fleet, which will reduce our cash available for distribution.
- Our debt levels may limit our flexibility in obtaining additional financing and in pursuing other business opportunities.
- The loss of a customer or charter or vessel could result in a loss of revenues and cash flow in the event we are unable to replace such customer, charter or vessel.
- Historically high numbers of newbuildings are currently under construction in the drybulk industry, which could have a material adverse effect on our future results of operations.
- We depend on Navios Maritime and its affiliates to assist us in operating and expanding our business.
- Navios Maritime and its affiliates may compete with us.

• Unitholders have limited voting rights and our partnership agreement restricts the voting rights of unitholders owning more than 4.9% of our common units.

- Our general partner and its affiliates, including Navios Maritime, own a significant interest in us and have conflicts of interest and limited fiduciary and contractual duties, which may permit them to favor their own interests to your detriment.
- Fees and cost reimbursements, which our manager will determine for services provided to us, will be significant, will be payable regardless of profitability and will reduce our cash available for distribution.
- Our partnership agreement contains provisions that may have the effect of discouraging a person or group from attempting to remove our current management or our general partner, and even if public unitholders are dissatisfied, they will be unable to remove our general partner without Navios Maritime's consent, unless Navios Maritime's ownership share in us is decreased.
- You will experience immediate and substantial dilution of $21.30 per common unit.

The Transactions

General

We were formed on August 7, 2007 as a Marshall Islands limited partnership to own and operate drybulk carriers. Navios GP L.L.C., a wholly-owned subsidiary of Navios Maritime, was also formed on that date to act as our general partner, and received a 2.0% general partner interest in us. The following transactions will occur in connection with our formation and in connection with the transfer to us of seven Panamax vessels and one Capesize vessel described in this prospectus, and to effect the public offering of our common units:

- Prior to the closing of the offering, Navios Maritime will contribute to us all of the outstanding shares of capital stock of one vessel-owning subsidiary in exchange for $83.9 million in subordinated units (4,195,000 subordinated units assuming an initial public offering price of $20.00 per common unit);
- We will sell 10,000,000 common units to the public in this offering, representing a 54.1% limited partner interest in us;
- We will sell 500,000 common units, representing a 2.7% limited partner interest in us, directly to a corporation owned by Angeliki Frangou, our Chairman and Chief Executive Officer, at a price per unit equal to the initial public offering price;
- We will enter into a new revolving credit facility that will provide us with financing availability of up to $260.0 million, and we will borrow $165.0 million thereunder upon the closing of the offering; and
- At the closing of this offering, Navios Maritime will sell to us all of the outstanding shares of capital stock of four of Navios Maritime's vessel-owning subsidiaries and three Navios Maritime subsidiaries that operate, and have options to purchase, three vessels in exchange for (i) all of the net proceeds from this offering and the offering to a corporation owned by Ms. Frangou ($193.6 million assuming an initial public offering price of $20.00 per common unit), (ii) $160.0 million of the $165.0 million that we will borrow under the new revolving credit facility that we will enter into at the closing of this offering, (iii) the issuance of approximately $68.5 million of additional subordinated units to Navios Maritime (3,426,843 subordinated units assuming an initial public offering price of $20.00 per common unit) and (iv) the issuance to Navios GP L.L.C. of all of our incentive distribution rights, which will entitle it to increasing percentages of the cash we distribute in excess of $0.4025 per unit per quarter. See ''Use of Proceeds.''

In addition, at or prior to the closing of this offering, we will enter into the following agreements:

- a share purchase agreement pursuant to which we will acquire the capital stock of the subsidiary that will own the Capesize vessel Navios TBN I and related time charter, upon delivery of the vessel in June 2009;

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- a share purchase agreement pursuant to which we will have the option, exercisable at any time between January 1, 2009 and April 1, 2009, to acquire the capital stock of the subsidiary that will own the Capesize vessel Navios TBN II and related time charter, scheduled for delivery in October 2009;
- a management agreement with Navios ShipManagement pursuant to which Navios ShipManagement will agree to provide us commercial and technical management services;
- an administrative services agreement with Navios ShipManagement, pursuant to which Navios ShipManagement will agree to provide us administrative services; and
- an omnibus agreement with Navios Maritime, our general partner and others, governing, among other things:
  - when we and Navios Maritime may compete with each other; and
  - certain rights of first offer on certain drybulk carriers.

Please read ‘‘Certain Relationships and Related Party Transactions.’’

We believe that conducting our operations through a publicly traded limited partnership will offer us the following advantages:

- access to the public equity and debt capital markets;
- a lower cost of capital for expansion and acquisitions; and
- an enhanced ability to use equity securities as consideration in future acquisitions.

Holding Company Structure

We are a holding entity and will conduct our operations and business through subsidiaries, as is common with publicly traded limited partnerships, to maximize operational flexibility. Initially, Navios Maritime Operating L.L.C., a limited liability company organized in the Marshall Islands, will be our only directly owned subsidiary and will conduct all of our operations through itself and its subsidiaries.

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Organizational Structure After the Transactions

The following diagram depicts our simplified organizational structure after giving effect to the transactions described above:

Public Common Units 54.1 % Common Units to be Purchased by Amadeus Maritime S.A.* 2.7 Navios Maritime Subordinated Units 41.2 General Partner Interest 2.0 100 %

*

Amadeus Maritime S.A. is a Panama corporation whose sole shareholder is Angeliki Frangou.

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Principal Executive Offices and Internet Address; SEC Filing Requirements

Our principal executive offices are located at 85 Akti Miaouli Street, Piraeus, Greece 185 38, and our phone number is (+30) 210 459 5000. We expect to make our periodic reports and other information filed with or furnished to the SEC available, free of charge, through our website at http://www.navios-mlp.com, which will be operational after this offering, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website, including Navios Maritime's website, is not incorporated by reference into this prospectus and does not constitute a part of this prospectus. Please read ''Where You Can Find More Information'' for an explanation of our reporting requirements as a foreign private issuer.

Summary of Conflicts of Interest and Fiduciary Duties

Our general partner and our directors have a legal duty to manage us in a manner beneficial to our unitholders, subject to the limitations described below and under ''Conflicts of Interest and Fiduciary Duties.'' This legal duty is commonly referred to as a ''fiduciary'' duty. Similarly, our directors and officers have fiduciary duties to manage us in a manner beneficial to us, our general partner and our limited partners. As a result of these relationships, conflicts of interest may arise in the future between us and our unitholders, on the one hand, and Navios Maritime and its other affiliates, including our general partner on the other hand. In particular:

- all of our executive officers and three of our directors also serve as executive officers and/or directors of Navios Maritime;
- Navios Maritime and its other affiliates may compete with us; and
- we have entered into arrangements, and may enter into additional arrangements, with Navios Maritime and certain of its subsidiaries, including Navios ShipManagement, relating to the purchase of additional vessels, the provision of certain services and other matters. In the performance of their obligations under these agreements, Navios Maritime and its subsidiaries, other than Navios GP L.L.C., are not held to a fiduciary duty standard of care to us, our general partner or our limited partners, but rather to the standard of care specified in these agreements.

Please read ''Management—Directors and Executive Officers'' and ''Certain Relationships and Related Party Transactions.''

Although a majority of our directors will over time be elected by common unitholders, our general partner will likely have substantial influence on decisions made by our board of directors.

For a more detailed description of the conflicts of interest and fiduciary duties of our general partner and its affiliates, please read ''Conflicts of Interest and Fiduciary Duties.'' For a description of our other relationships with our affiliates, please read ''Certain Relationships and Related Party Transactions.''

In addition, our partnership agreement contains provisions that reduce the standards to which our general partner and our directors would otherwise be held under Marshall Islands law. For example, our partnership agreement limits the liability and reduces the fiduciary duties of our general partner and our directors to our unitholders. Our partnership agreement also restricts the remedies available to unitholders. By purchasing a common unit, you are treated as having agreed to the modified standard of fiduciary duties and to certain actions that may be taken by our general partner, its affiliates or our directors, all as set forth in the partnership agreement. Please read ''Conflicts of Interest and Fiduciary Duties'' for a description of the fiduciary duties that would otherwise be imposed on our general partner, its affiliates and our directors under Marshall Islands law, the material modifications of those duties contained in our partnership agreement and certain legal rights and remedies available to our unitholders under Marshall Islands law.

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The Offering

Common units offered to the public by us 10,000,000 common units; or 11,500,000 common units if the underwriters exercise their overallotment option in full.

Units outstanding after this offering 10,500,000 common units and 7,621,843 subordinated units, representing a 56.8% and 41.2% limited partner interest in us, respectively; or 12,000,000 common units and 6,121,843 subordinated units if the underwriters exercise their overallotment option in full.

Use of proceeds The proceeds from this offering are expected to be used primarily to fund a portion of the purchase price of the capital stock in the subsidiaries of Navios Maritime that own or have rights to vessels in our initial fleet.

The purchase price of the capital stock of the subsidiaries that own or have rights to the eight vessels in our initial fleet will be dependent on the initial public offering price of our common units and will be equal to:

- all of the net proceeds from our sale of an aggregate of 10,500,000 common units in this offering and the offering to a corporation owned by Ms. Frangou (estimated at $193.6 million, assuming an initial public offering price of $20.00 per common unit), plus
- $160.0 million of the $165.0 million of borrowings under our new revolving credit facility, plus
- 7,621,843 subordinated units to be issued to Navios Maritime, plus
- the 2.0% general partner interest and all of our incentive distribution rights to be issued to our general partner.

Assuming an initial public offering price of $20.00 per common unit and that the fair market value of each subordinated unit and general partner unit is $20.00, the total dollar value of the consideration to be paid to Navios Maritime for the capital stock of the subsidiaries that own or have rights to the vessels in our initial fleet is approximately $513.4 million. If the initial public offering price of our common units goes up or down by $1.00, the consideration for the vessels will change by approximately $17.8 million.

The initial public offering price of our common units, as well as the total consideration to be paid to Navios Maritime for the capital stock of the subsidiaries that own or have rights to the eight vessels in our initial fleet will be determined through negotiations among us and the representatives of the underwriters. In addition to

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prevailing market conditions, the factors to be considered in determining the initial public offering price as well as the total consideration for the capital stock of the subsidiaries that own the vessels in our initial fleet are:

• the valuation multiples of publicly traded companies that the representatives believe to be comparable to us,

• our financial information,

• the history of, and the prospects for, our partnership and the industry in which we compete,

• as assessment of our management, its past and present operations, and the prospects for, and timing of, our future revenues, and

• the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

Please read ‘‘Underwriting.’’

Overallotment option We have granted the underwriters a 30-day option to purchase up to 1,500,000 additional common units to cover overallotments. We will use the net proceeds of any exercise of the underwriters' overallotment option to redeem a number of subordinated units from Navios Maritime equal to the number of units for which the underwriters exercise their overallotment option.

Cash distributions We intend to make minimum quarterly distributions of $0.35 per common unit to the extent we have sufficient cash from operations after establishment of cash reserves and payment of fees and expenses, including payments to our general partner. In general, we will pay any cash distributions we make each quarter in the following manner:

• first, 98.0% to the holders of common units and 2.0% to our general partner, until each common unit has received a minimum quarterly distribution of $0.35 plus any arrearages from prior quarters;

• second, 98.0% to the holders of subordinated units and 2.0% to our general partner, until each subordinated unit has received a minimum quarterly distribution of $0.35; and

• third, 98.0% to all unitholders, pro rata, and 2.0% to our general partner, until each unit has received an aggregate distribution of $0.4025.

If cash distributions exceed $0.4025 per unit in a quarter, our general partner will receive increasing percentages, up to 50.0% (including its 2.0% general partner interest), of the cash we distribute in excess of that amount. We refer to these distributions as ‘‘incentive distributions.’’ We must distribute all of our cash on hand at the end of each quarter, less reserves established by our general partner to provide for the proper conduct of our business, to comply with any applicable debt instruments or to provide funds for future distributions. We refer to this cash as ‘‘available cash,’’ and we define its meaning in our partnership agreement and in the glossary of terms attached as Appendix B. The amount of available cash may be greater than or less than the aggregate amount of the minimum quarterly distribution to be distributed on all units. The amount of available cash we need to pay the minimum quarterly distributions for four quarters on our common units, subordinated units and the 2.0% general partner interest to be outstanding immediately after this offering is $25.9 million.

We believe, based on the estimates contained in and the assumptions listed under ‘‘Our Cash Distribution Policy and Restrictions on Distributions—Forecasted Results of Operations for the Year Ending December 31, 2008’’ and ‘‘—Forecast Assumptions and Considerations’’ that we will have sufficient cash available for distributions to enable us to pay all of the minimum quarterly distribution of $0.35 per unit on all of our common and subordinated units for each quarter through December 31, 2008. However, unanticipated events may occur which could materially adversely affect the actual results we achieve during the forecast period. Consequently, our actual results of operations, cash flows and financial condition during the forecast period may vary from the forecast, and such variations may be material. Prospective investors are cautioned to not place undue reliance on the forecast and should make their own independent assessment of our future results of operations, cash flows and financial condition. Our pro forma available cash to make distributions generated during the year ended December 31, 2006 would have been sufficient to allow us to pay only 96.0% of the minimum quarterly distribution on the common units, and would have not allowed us to pay any distributions on the subordinated units during the year ended December 31, 2006. Please read ‘‘Our Cash Distribution Policy and Restrictions on Distributions—Pro Forma and Forecasted Cash Available for Distribution’’ and ‘‘How We Make Cash Distributions—Subordination Period.’’

Subordinated units Navios Maritime will initially own all of our subordinated units. The principal difference between our common units and subordinated units is that in any quarter during the subordination period the subordinated units are entitled to

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receive the minimum quarterly distribution of $0.35 per unit only after the common units have received the minimum quarterly distribution and arrearages in the payment of the minimum quarterly distribution from prior quarters. Subordinated units will not accrue arrearages. The subordination period generally will end if we have earned and paid at least $1.40 on each outstanding unit and the corresponding distribution on the general partner's 2.0% interest for any three consecutive four-quarter periods ending on or after December 31, 2011. The subordination period may also end prior to December 31, 2011 if certain financial tests are met as described below. When the subordination period ends, all subordinated units will automatically convert into common units on a one-for-one basis, and the common units will no longer be entitled to arrearages. Please read ''How We Make Cash Distributions—Subordination Period.''

Early conversion of subordinated units   If we have earned and paid at least $2.10 (150.0% of the annualized minimum quarterly distribution) on each outstanding unit for the four-quarter period ending on or before the date of determination, the subordinated units will convert into common units. Please read ''How We Make Cash Distributions—Subordination Period.''

Issuance of additional units   Our partnership agreement allows us to issue an unlimited number of units without the consent of our unitholders.

Please read ''Units Eligible for Future Sale'' and ''The Partnership Agreement—Issuance of Additional Securities.''

Board of directors   We will hold a meeting of the limited partners every year to elect one or more members of our board of directors and to vote on any other matters that are properly brought before the meeting. Our general partner has the right to appoint three of the seven members of our board of directors who will serve as directors for terms determined by our general partner. At our 2008 annual meeting, the common unitholders will elect four of our seven directors. The four directors elected by our common unitholders at our 2008 annual meeting will be divided into three classes to be elected by our common unitholders annually on a staggered basis to serve for three-year terms.

Voting rights   Each outstanding common unit is entitled to one vote on matters subject to a vote of common unitholders. However, to preserve our ability to be exempt from U.S. federal income tax under Section 883 of the U.S. Internal Revenue Code, as amended, or the Code, if at any time, any person or group owns beneficially more than 4.9% of any class of units then outstanding, any such units owned by that person or group in excess of 4.9% may not be voted on any matter and will not be considered to be outstanding when sending notices of a meeting of unitholders, calculating required votes, except for purposes of nominating a person for election to our board, determining the presence of a quorum or for other similar purposes under our partnership agreement, unless otherwise required by law. The voting rights of any such unitholders in excess of 4.9% will effectively be redistributed pro rata among the other common unitholders holding less than 4.9% of the voting power of all classes of units entitled to vote. Our general partner, its affiliates, and persons who acquired common units with the prior approval of our board of directors will not be subject to this 4.9% limitation except with respect to voting their common units in the election of the elected directors.

You will have no right to elect our general partner on an annual or other continuing basis. Our general partner may not be removed except by a vote of the holders of at least 662/3% of the outstanding units, including any units owned by our general partner and its affiliates, voting together as a single class. Upon consummation of this offering, Navios Maritime will own all of our subordinated units (representing a 41.2% limited partner interest, assuming no exercise of the underwriters' overallotment option, and a 33.1% limited partner interest if the underwriters exercise their overallotment option in full). As a result, assuming no exercise of the underwriters' over-allotment option, you will initially be unable to remove our general partner without Navios Maritime's consent because Navios Maritime will own sufficient units upon completion of this offering to be able to prevent the general partner's removal and Navios Maritime will have the right to acquire additional units in the future to maintain its percentage interest in our partnership. Please read ''The Partnership Agreement— Voting Rights.''

Limited call right If at any time our general partner and its affiliates, including Navios Maritime, own more than 80% of the outstanding common units, our general partner has the right, but not the obligation, to purchase all, but not less than all, of the remaining common units at a price equal to the greater of (x) the average of the daily closing prices of the common units over the 20 trading days preceding the date three days before the notice of exercise of the call right is first mailed and (y) the highest price paid by our general partner or any of its affiliates for common units during the 90-day period preceding the date such notice is first mailed. Our general partner is not obligated to obtain a fairness opinion regarding the value of the common units to be repurchased by it upon the exercise of this limited call right.

U.S. federal income tax considerations Although we are organized as a partnership, we have elected to be treated as a corporation for U.S. federal income tax purposes. Under current U.S. federal income tax law, a portion of the distributions you receive from us will constitute dividends, and if you are an individual citizen or resident of the United States or a U.S. estate or trust and meet certain holding period requirements, such dividends are expected to be taxable as ‘‘qualified dividend income’’ currently subject to a maximum 15.0% U.S. federal income tax rate (until 2011, at which time, in the absence of legislation extending the term of the preferential tax rates for qualified dividend income, dividends will be taxed at ordinary income tax rates). The remaining portion of our distributions will be treated first as a non-taxable return of capital to the extent of your tax basis in your common units and, thereafter, as capital gain. We estimate that if you hold the common units that you purchase in this offering through the period ending December 31, 2009, the distributions you receive that will constitute dividends for U.S. federal income tax purposes will be approximately 56% of the total cash distributions received during that period. Please read ‘‘Material U.S. Federal Income Tax Considerations— U.S. Federal Income Taxation of U.S. Holders—Ratio of Dividend Income to Distributions’’ for the basis for this estimate. Please also read ‘‘Risk Factors—Tax Risks’’ for a discussion of proposed legislation that would deny the preferential rate of taxation of qualified dividend income to distributions received from us.

Exchange listing Our common units have been approved for listing on the New York Stock Exchange, subject to official notice of issuance, under the symbol ‘‘NMM.’’

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Summary Historical and Pro Forma Financial and Operating Data

The following table presents in each case for the periods and at the dates indicated:

- historical financial and operating data of Navios Maritime Partners Predecessor; and
- pro forma financial data of Navios Maritime Partners L.P.

We have derived the summary historical financial data as of December 31, 2006 and 2005 and for the year ended December 31, 2006, the periods from January 1, 2005 to August 25, 2005 and from August 26, 2005 to December 31, 2005, and the year ended December 31, 2004 from our audited predecessor combined financial statements appearing elsewhere in this prospectus. The summary historical financial data as of December 31, 2004 are derived from our unaudited predecessor combined financial statements, which are not included in this prospectus. The summary historical financial data as of June 30, 2007 and for the six months ended June 30, 2006 and 2007 are derived from our unaudited predecessor combined financial statements appearing elsewhere in this prospectus, which in the opinion of management, include all adjustments, consisting of normal recurring adjustments necessary for fair presentation of that information. The predecessor combined financial statements included in the prospectus have been carved out of the consolidated financial statements of Navios Maritime, which operated one of the drybulk vessels that we will acquire in connection with this offering during the year ended December 31, 2004 and the period from January 1, 2005 to August 25, 2005, owned three and operated four of the drybulk vessels that we will acquire in connection with this offering during the period from August 26, 2005 to December 31, 2005, owned and operated five of the drybulk vessels that we will acquire in connection with this offering during the year ended December 31, 2006 and owned five and operated seven of the drybulk vessels that we will acquire in connection with this offering during the six months ended June 30, 2007. Results of operations have been included from the respective dates that (i) the vessel-owning subsidiaries were acquired or when rights to operate the vessels were obtained by Navios Maritime or (ii) at the inception of charter-in agreements for chartered-in vessels. Navios Maritime’s shipping interests and other assets, liabilities, revenues and expenses that do not relate to the vessel-owning subsidiaries to be acquired by us are not included in our combined financial statements. Our financial position, results of operations and cash flows reflected in our combined financial statements include all expenses allocable to our business, but may not be indicative of those that would have been achieved had we operated as a public entity for all periods presented or of future results. In accordance with standard shipping industry practice, Navios Maritime did not obtain from the seller historical operating data for the acquired vessels, as that data was not material to the decision to purchase the vessels. Accordingly, we have not included any historical financial data relating to the results of operations of our vessels for any period before Navios Maritime acquired them.

We have derived the summary pro forma financial data of Navios Maritime Partners L.P. as of June 30, 2007 and for the year ended December 31, 2006 and the six months ended June 30, 2007 from our unaudited pro forma combined financial statements included elsewhere in this prospectus. The pro forma income statement data for the year ended December 31, 2006 and the six months ended June 30, 2007 assumes this offering and the related transactions and the concurrent offering to a corporation owned by Ms. Frangou occurred on January 1, 2006. The pro forma balance sheet assumes this offering and the related transactions and the concurrent offering occurred on June 30, 2007. The pro forma financial data may not be comparable to the historical financial data for the reasons set forth in ‘‘Management’s Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations.’’ A more complete explanation of the pro forma data can be found in our unaudited pro forma combined financial statements and accompanying notes included elsewhere in this prospectus.

The following table should be read together with, and is qualified in its entirety by reference to, the historical combined financial statements, unaudited pro forma combined financial statements and the accompanying notes included elsewhere in this prospectus. The table should also be read together with ‘‘Management’s Discussion and Analysis of Financial Condition and Results of Operations.’’

Historical(1) Pro Forma Predecessor

Year Ended
December 31,
2004 Predecessor

January 1, 2005
to
August 25, 2005 Successor

August 26, 2005
to
December 31, 2005 Successor

Year Ended
December 31,
2006
Successor

Six Months Ended
June 30, Year Ended
December 31,
2006 Six Months
Ended
June 30,
2007 2006 2007 (unaudited) (unaudited) (In thousands of U.S. dollars, except per unit and fleet data) Income Statement Data: Time charter and voyage revenue $ 3,715 $ 5,780 $ 3,451 $ 31,549 $ 16,064 $ 23,177 $ 62,115 $ 33,292 Loss on forward freight agreements — — — (2,923) (460) — (2,923) — Time charter and voyage expenses (3,387) (2,305) (1,266) (1,344) (1,131) (2,698) (16,243) (7,827) Direct vessel expenses — — (69) (5,626) (2,554) (3,055) (6,952) (3,620) Management fees (392) (284) (168) (698) (496) (521) — — General and administrative expenses — — — — — — (2,000) (1,000) Depreciation and amortization — — (948) (8,035) (4,106) (5,264) (11,142) (5,545) Interest expense and finance cost, net — — (81) (6,286) (2,967) (2,497) (9,970) (4,946) Other income — — — 61 147 27 61 27 Other expense — — — (74) (48) (46) (74) (46) Net income/(loss) before taxes (64) 3,191 919 6,624 4,449 9,123 12,872 10,335 Income tax — — — — — 486 — — Net income/(loss) $ (64) $ 3,191 $ 919 $ 6,624 $ 4,449 $ 9,609 $ 12,872 $ 10,335 General partner's interest in net income $ 257 $ 207 Limited partners' interest in net income 12,615 10,128 Pro forma net income per common unit, basic and diluted $ 1.20 $ 0.70 Pro forma net income per subordinated unit, basic and diluted — 0.36 Pro forma weighted average number of common units outstanding, basic and diluted 10,500,000 10,500,000 Pro forma weighted average number of subordinated units outstanding, basic and diluted 7,621,843 7,621,843 Balance Sheet Data (at end of period): Vessels, net $ — $ 96,296 $ 143,834 $ 139,905 $ 139,905 Total assets 1,080 118,986 152,243 220,990 206,054 Owner's net investment 509 49,078 70,902 114,213 Partners' equity General Partner

(7,657) Limited Partners 35,805 Cash Flow Data:

Net cash provided by operating activities	$ —	$ —	$ 520	$ 14,496	$ 387	$ 1,444
Net cash used in investing activities	—	—	(76,058)	(36,985)	(36,985)	—
Net cash provided by financing activities	—	—	75,538	22,489	36,598	(1,444)

Fleet Data:

Vessels at end of period(2)	1	1	4	5	5	7

(1) On August 25, 2005, International Shipping Enterprises Inc., a publicly traded Delaware shell company, or ISE, acquired Navios Maritime through the purchase of all of the outstanding shares of common stock of Navios Maritime. Simultaneously with the acquisition, ISE effected a reincorporation through a downstream merger with and into Navios Maritime, in order to become a Marshall Islands corporation, as it exists today. The carved out results of operations prior to August 26, 2005 are labeled as ‘‘Predecessor’’ and the carved out results of operations from August 26, 2005 forward are labeled as ‘‘Successor.’’ (2) Includes owned and chartered-in vessels.

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Risk Factors

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

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

Risks Inherent in Our Business

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

We may not have sufficient cash available each quarter to pay the minimum quarterly distribution of $0.35 per common unit following the establishment of cash reserves and payment of fees and expenses. The amount of cash we can distribute on our common units principally depends upon the amount of cash we generate from our operations, which may fluctuate based on numerous factors generally described under this ‘‘Risk Factors’’ heading, including, among other things:

- the rates we obtain from our charters and the market for long-term charters when we recharter our vessels;
- the level of our operating costs, such as the cost of crews and insurance, following the expiration of our management agreement pursuant to which we will pay a fixed daily fee for an initial term of approximately two years from the closing of this offering;
- the number of unscheduled off-hire days for our fleet and the timing of, and number of days required for, scheduled inspection, maintenance or repairs of submerged parts, or drydocking, of our vessels;
- demand for drybulk commodities;
- supply of drybulk vessels;
- prevailing global and regional economic and political conditions; and
- the effect of governmental regulations and maritime self-regulatory organization standards on the conduct of our business.

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

- the level of capital expenditures we make, including those associated with maintaining vessels, building new vessels, acquiring existing vessels and complying with regulations;
- our debt service requirements and restrictions on distributions contained in our debt instruments;
- interest rate

fluctuations;

- the cost of acquisitions, if any;
- fluctuations in our working capital needs;
- our ability to make working capital borrowings, including the payment of distributions to unitholders; and
- the amount of any cash reserves, including reserves for future maintenance and replacement capital expenditures, working capital and other matters, established by our board of directors in its discretion.

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

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

The shipping business, including the dry cargo market, is cyclical in varying degrees, experiencing severe fluctuations in charter rates, profitability and, consequently, vessel values. At various times from 2004 to date, charter rates for the international drybulk shipping industry reached historic highs but may not be as high in the future. For example, during the period from January 4, 2005 to June 30, 2007, the Baltic Exchange's Panamax time charter average daily rates experienced a low of $10,162 and a high of $51,870. We anticipate that the future demand for our drybulk carriers and drybulk charter rates will be dependent upon continued demand for imported commodities, economic growth in the emerging markets, including the Asia Pacific region, India, Brazil and Russia and the rest of the world, seasonal and regional changes in demand and changes to the capacity of the world fleet. The capacity of the world fleet seems likely to increase, and there can be no assurance that economic growth will continue. Adverse economic, political, social or other developments could decrease demand and growth in the shipping industry and thereby reduce revenue significantly. A decline in demand for commodities transported in drybulk carriers or an increase in supply of drybulk vessels could cause a significant decline in charter rates, which could materially adversely affect our results of operations and financial condition. The demand for vessels, in general, has been influenced by, among other factors:

- global and regional economic conditions;
- developments in international trade;
- changes in seaborne and other transportation patterns, such as port congestion and canal closures;
- weather and crop yields;
- armed conflicts and terrorist activities;
- political developments; and
- embargoes and strikes.

In connection with the closing of this offering, we will enter into an agreement with a subsidiary of Navios Maritime to purchase its interests in the subsidiary that owns the newbuilding Capesize Navios TBN I at the pre-determined purchase price of $130.0 million. We will purchase from a subsidiary of Navios Maritime its interests in the subsidiary that owns the newbuilding upon delivery of the vessel to the subsidiary. Even if the market value of the Capesize declines between the time we enter into the agreement to purchase the newbuilding and the time the newbuilding is actually delivered to the vessel-owning subsidiary, we will still be required to purchase the interests in that subsidiary at the price specified in the share purchase agreement. As a result, we may pay substantially more for that vessel than we would pay if we were to purchase that vessel from an unaffiliated third party. Please read ''Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Purchase of Newbuilding'' and Certain Relationships and Related Party Transactions—Agreements Governing the Transactions—Agreement to Purchase Future Vessel.''

If we sell a vessel at a time when the market value of our vessels has fallen, the sale may be at less than the vessel's carrying amount, resulting in a loss. A decline in the market value of our vessels could also lead to a default under any prospective credit facility to which we become a party, affect our ability to refinance our new credit facility and/or limit our ability to obtain additional financing.

Charter rates for drybulk carriers may fluctuate substantially over time and may be lower when we are attempting to recharter our vessels, which could materially adversely affect our operating results and cash available for distribution.

Our ability to recharter our vessels following expiration of existing time charter contracts and the rates payable upon any renewal or replacement charters will depend upon, among other things, the state of the drybulk market at the time of rechartering. As described above, the international drybulk shipping industry is very cyclical and we may be rechartering our long-term charters during downturns in the cycle. Currently, China, Japan, other Asian Pacific economies and India are the main driving force behind the increase in seaborne drybulk trades and the demand for drybulk carriers. Demand from such economies has driven increased rates and vessel values. Conversely, a negative change in economic conditions in any Asian Pacific country, but particularly in China or Japan, as well as India, may have a material adverse effect on our business, financial condition and results of operations, as well as our future prospects, by reducing demand and the resultant charter rates. In particular, in recent years, China has been one of the world’s fastest growing economies in terms of gross domestic product. We cannot assure you that such growth will be sustained or that the Chinese economy will not experience a material decline from current levels in the future.

All of our time charters are scheduled to expire on dates ranging from December 2010 to January 2018. If, upon expiration or termination of these or other contracts, long-term recharter rates are lower than existing rates, particularly considering that we intend to enter into long-term charters, or if we are unable to obtain replacement charters, our earnings, cash flow and our ability to make cash distributions to our unitholders under any new contracts could be materially adversely affected.

The assumptions underlying the forecast of cash available for distribution that we include in ‘‘Our Cash Distribution Policy and Restrictions on Distributions’’ are inherently uncertain and are subject to significant business, economic, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those forecasted.

Our estimate of cash available for distribution set forth in ‘‘Our Cash Distribution Policy and Restrictions on Distributions’’ includes our forecast of results of operations and cash available for distribution for the year ending December 31, 2008. The forecast has been prepared by management. Neither our independent registered public accounting firm, nor any other independent accountants, have examined, compiled or performed any procedures with respect to the forecast, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, the forecast. The assumptions underlying the forecast are inherently uncertain and are subject to significant business, economic, regulatory and competitive risks, including those discussed in this section that could cause actual results to differ materially from those forecasted. If the forecasted results are not achieved, we may not be able to pay the full minimum quarterly distribution or any amount on the common units or subordinated units, in which event the market price of the common units may decline materially. The amount of available cash we need to pay the minimum quarterly distribution for four quarters on the common units, the subordinated units and the 2.0% general partner interest to be outstanding immediately after this offering is $25.9 million. Pro forma available cash to make distributions generated during the year ended December 31, 2006 would have been sufficient to allow us to pay only 96.0% of the minimum quarterly distribution on the common units, and would have not allowed us to pay any distributions on the subordinated units for the year ended December 31, 2006. For a forecast of our ability to pay the full minimum quarterly distributions on the common units, the subordinated units and the 2.0% general partner interest for the year ending December 31, 2008, please read ‘‘Our Cash Distribution Policy and Restrictions on Distributions’’ and ‘‘Forward-Looking Statements.’’

The market values of our vessels, which are at historically high levels, may decrease, which could cause us to breach covenants in our new revolving credit facility and result in the foreclosure on our mortgaged vessels.

Factors that influence vessel values include:

- number of newbuilding deliveries;
- changes in environmental and other regulations that may limit the useful life of vessels;

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- changes in global drybulk commodity supply;
- types and sizes of vessels;
- development of and increase in use of other modes of transportation;
- cost of vessel acquisitions;
- governmental or other regulations; and
- prevailing level of charter rates, which are at historical highs.

If the market values of our owned vessels decrease, we may breach covenants contained in our new credit facility. We purchased our vessels from Navios Maritime based on current market prices which are at historically high levels. If we breach such covenants and are unable to remedy any relevant breach, our lenders could accelerate our debt and foreclose on the collateral, including our vessels. Any loss of vessels would significantly decrease our ability to generate positive cash flow from operations and therefore service our debt. In addition, if the book value of a vessel is impaired due to unfavorable market conditions, or a vessel is sold at a price below its book value, we would incur a loss.

We must make substantial capital expenditures to maintain the operating capacity of our fleet, which will reduce our cash available for distribution. In addition, each quarter our board of directors is required to deduct estimated maintenance and replacement capital expenditures from operating surplus, which may result in less cash available to unitholders than if actual maintenance and replacement capital expenditures were deducted.

We must make substantial capital expenditures to maintain, over the long term, the operating capacity of our fleet. These maintenance and replacement capital expenditures include capital expenditures associated with drydocking a vessel, modifying an existing vessel or acquiring a new vessel to the extent these expenditures are incurred to maintain the operating capacity of our fleet. These expenditures could increase as a result of changes in:

- the cost of our labor and materials;
- the cost of suitable replacement vessels;
- customer/market requirements;
- increases in the size of our fleet; and
- governmental regulations and maritime self-regulatory organization standards relating to safety, security or the environment.

Please see ‘‘Management’s Discussion and Analysis of Financial Condition and Results of Operations —Liqidity and Capital Resources—Capital Expenditures.’’

Our significant maintenance and replacement capital expenditures will reduce the amount of cash we have available for distribution to our unitholders. Any costs associated with scheduled drydocking for the first two years after the closing of this offering are included in a daily fee of $4,000 per owned Panamax vessel and $5,000 per owned Capesize vessel that we will pay Navios ShipManagement under a management agreement. The initial term of the management agreement will be five years from the closing of this offering and this fee will be fixed for the first two years of that agreement. During the remaining three years of the term of the management agreement, we expect that we will reimburse Navios ShipManagement for all of the actual operating costs and expenses it incurs in connection with the management of our fleet. In the event our management agreement is not renewed, we will separately deduct estimated capital expenditures associated with drydocking from our operating surplus in addition to estimated replacement capital expenditures.

Our partnership agreement requires our board of directors to deduct estimated, rather than actual, maintenance and replacement capital expenditures from operating surplus each quarter in an effort to reduce fluctuations in operating surplus. The amount of estimated capital expenditures deducted from operating surplus is subject to review and change by the conflicts committee at least

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once a year. If our board of directors underestimates the appropriate level of estimated maintenance and replacement capital expenditures, we may have less cash available for distribution in future periods when actual capital expenditures begin to exceed previous estimates.

If we expand the size of our fleet in the future, we generally will be required to make significant installment payments for acquisitions of vessels prior to their delivery and generation of revenue. In addition, we intend to finance the purchase of Fantastiks to be delivered in 2008 with debt, and the purchase of Navios TBN I, to be delivered in 2009, partly with debt and partly by issuing additional equity securities. Depending on whether we finance our expenditures through cash from operations or by issuing debt or equity securities, our ability to make cash distributions may be diminished or our financial leverage could increase or our unitholders could be diluted.

The actual cost of a vessel varies significantly depending on the market price, the size and specifications of the vessel, governmental regulations and maritime self-regulatory organization standards.

We have exercised the option to purchase Fantastiks in March 2008 at a purchase price of $34.2 million. In addition, the purchase price for the newbuilding Navios TBN I and related time charter we will acquire in June 2009 is $130.0 million. We intend to finance the purchase of Fantastiks using borrowings under our new credit facility. We intend to finance the purchase of Navios TBN I partially with borrowings under our new credit facility and partially by issuing additional common units or other equity securities, which would dilute your ownership interest in us. If we exercise the option to acquire Navios TBN II for $135.0 million, we may finance such acquisition in whole or in part with borrowings under a credit facility or by issuing additional common units or other debt securities, which would further dilute your ownership interest in us. Please read ‘‘—We may issue additional equity securities without your approval, which would dilute your ownership interests.’’ We may enter into similar arrangements with Navios Maritime and its affiliates in the future.

If we purchase additional vessels in the future, we generally will be required to make installment payments prior to their delivery. If we finance these acquisition costs by issuing debt or equity securities, we will increase the aggregate amount of interest payments or minimum quarterly distributions we must make prior to generating cash from the operation of the vessel.

To fund the remaining portion of these and other capital expenditures, we will be required to use cash from operations or incur borrowings or raise capital through the sale of debt or additional equity securities. Use of cash from operations will reduce cash available for distributions to unitholders. After borrowing under our revolving credit facility to finance the purchase of Navios TBN I in June 2009, we will have very little borrowing capacity under such credit facility unless we increase the size of the facility. Our ability to obtain bank financing or to access the capital markets for future offerings may be limited by our financial condition at the time of any such financing or offering as well as by adverse market conditions resulting from, among other things, general economic conditions and contingencies and uncertainties that are beyond our control. Our failure to obtain the funds for necessary future capital expenditures could have a material adverse effect on our business, results of operations and financial condition and on our ability to make cash distributions. Even if we are successful in obtaining necessary funds, the terms of such financings could limit our ability to pay cash distributions to unitholders. In addition, incurring additional debt may significantly increase our interest expense and financial leverage, and issuing additional equity securities may result in significant unitholder dilution and would increase the aggregate amount of cash required to meet our minimum quarterly distribution to unitholders, which could have a material adverse effect on our ability to make cash distributions.

Our debt levels may limit our flexibility in obtaining additional financing and in pursuing other business opportunities.

Upon the closing of this offering, we will enter into a new revolving credit facility which will provide us with the ability to borrow up to $260.0 million, of which we expect $165.0 million will be outstanding after the closing of this offering. We intend to borrow an additional $34.2 million under our revolving credit facility to finance the acquisition of the Fantastiks in March 2008 and an

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additional $60.8 million to finance a portion of the purchase price of Navios TBN I in June 2009. We do not have the funds or availability under our credit facility to purchase this vessel and will need to either raise the funds through the issuance of additional equity or debt securities to satisfy our obligation. There can be no assurance we will be able to obtain such financing. For more information regarding the terms of our new revolving credit facility, please read ''Management's Discussion and Analysis of Financial Condition and Results of Operation—Liquidity and Capital Resources—Revolving Credit Facility.'' Following this offering, we will continue to have the ability to incur additional debt, subject to limitations in our new revolving credit facility. Our level of debt could have important consequences to us, including the following:

- our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may not be available on favorable terms;
- we will need a substantial portion of our cash flow to make principal and interest payments on our debt, reducing the funds that would otherwise be available for operations, future business opportunities and distributions to unitholders;
- our debt level will make us more vulnerable than our competitors with less debt to competitive pressures or a downturn in our business or the economy generally; and
- our debt level may limit our flexibility in responding to changing business and economic conditions.

Our ability to service our debt will depend upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. If our operating results are not sufficient to service our current or future indebtedness, we will be forced to take actions such as reducing distributions, reducing or delaying our business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing our debt, or seeking additional equity capital or bankruptcy protection. We may not be able to effect any of these remedies on satisfactory terms, or at all.

The new revolving credit facility that we will enter into in connection with this offering contains restrictive covenants, which may limit our business and financing activities.

The operating and financial restrictions and covenants in the new revolving credit facility that we will enter into upon the closing of this offering and any future credit facility could adversely affect our ability to finance future operations or capital needs or to engage, expand or pursue our business activities. For example, our new revolving credit facility requires the consent of our lenders or limit our ability to, among other items:

- incur or guarantee indebtedness;
- charge, pledge or encumber the vessels;
- merge or consolidate;
- change the flag, class or commercial and technical management of our vessels; and
- sell or change the beneficial ownership or control of our vessels.

The credit facility also requires us to comply with the ISM Code and ISPS Code and to maintain valid safety management certificates and documents of compliance at all times.

In addition, our new revolving credit facility requires us to:

- maintain minimum free consolidated liquidity (which may be in the form of undrawn commitments under the credit facility) of at least $5.0 million per year (increasing by $8.0 million per year until it reaches $37.0 million, at which level it is required to be maintained thereafter);
- maintain a ratio of EBITDA (as defined in our credit facility) to interest expense of at least 2.00 to 1.00; and

- maintain a ratio of total liabilities to total assets of less than 0.75 to 1.00.

We will also be required to maintain an aggregate market value of our financed vessels equal to 143% of the aggregate amount outstanding under the credit facility and a tangible net worth of at least $120.0 million. For a description of the definition of ''EBITDA'' under our credit facility, please read ''Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Revolving Credit Facility.''

Our ability to comply with the covenants and restrictions that will be contained in our new revolving credit facility and any other debt instruments we may enter into in the future may be affected by events beyond our control, including prevailing economic, financial and industry conditions. If market or other economic conditions deteriorate, our ability to comply with these covenants may be impaired. If we are in breach of any of the restrictions, covenants, ratios or tests in our new credit facility, especially if we trigger a cross default currently contained in certain of our loan agreements, a significant portion of our obligations may become immediately due and payable, and our lenders' commitment to make further loans to us may terminate. We may not have, or be able to obtain, sufficient funds to make these accelerated payments. In addition, our obligations under the new revolving credit facility will be secured by certain of our vessels, and if we are unable to repay borrowings under such credit facility, lenders could seek to foreclose on those vessels.

Restrictions in our debt agreements may prevent us from paying distributions.

Our payment of principal and interest on the debt will reduce cash available for distribution on our units. In addition, our new credit facility prohibits the payment of distributions if we are not in compliance with certain financial covenants or upon the occurrence of an event of default.

Events of default under our new credit facility include, among other things, the following:

- failure to pay any principal, interest, fees, expenses or other amounts when due;
- failure to observe any other agreement, security instrument, obligation or covenant beyond specified cure periods in certain cases;
- default under other indebtedness;
- an event of insolvency or bankruptcy;
- material adverse change in the financial position or prospects of us or our general partner;
- failure of any representation or warranty to be materially correct; and
- failure of Navios Maritime or its affiliates to own at least 30% of us.

We anticipate that any subsequent refinancing of our current debt or any new debt will have similar restrictions. For more information regarding our financing arrangements, please read ''Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.''

We depend on Navios Maritime and its affiliates to assist us in operating and expanding our business.

Pursuant to a management agreement between us and Navios ShipManagement, Navios ShipManagement will provide to us significant commercial and technical management services (including the commercial and technical management of our vessels, vessel maintenance and crewing, purchasing and insurance and shipyard supervision). Please read ‘‘Certain Relationships and Related Party Transactions—Agreements Governing the Transactions—Management Agreement.’’ In addition, pursuant to an administrative services agreement between us and Navios ShipManagement, Navios ShipManagement will provide to us significant administrative, financial and other support services. Please read ‘‘Certain Relationships and Related Party Transactions—Agreements Governing the Transactions—Administrative Services Agreement.’’ Our operational success and ability to execute our growth strategy will depend significantly upon Navios ShipManagement’s satisfactory performance of these services. Our business will be harmed if Navios ShipManagement fails to perform these services

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satisfactorily, if Navios ShipManagement cancels either of these agreements, or if Navios ShipManagement stops providing these services to us. We may also in the future contract with Navios Maritime for it to have newbuildings constructed on our behalf and to incur the construction-related financing. We would purchase the vessels on or after delivery based on an agreed-upon price.

Our ability to enter into new charters and expand our customer relationships will depend largely on our ability to leverage our relationship with Navios Maritime and its reputation and relationships in the shipping industry. If Navios Maritime suffers material damage to its reputation or relationships, it may harm our ability to:

- renew existing charters upon their expiration;
- obtain new charters;
- successfully interact with shipyards during periods of shipyard construction constraints;
- obtain financing on commercially acceptable terms; or
- maintain satisfactory relationships with suppliers and other third parties.

If our ability to do any of the things described above is impaired, it could have a material adverse effect on our business, results of operations and financial condition and our ability to make cash distributions.

As we expand our business, we may have difficulty managing our growth, which could increase expenses.

We intend to seek to grow our fleet, either through purchases, the increase of the number of chartered-in vessels or through the acquisitions of businesses. The addition of vessels to our fleet or the acquisition of new businesses will impose significant additional responsibilities on our management and staff. We will also have to increase our customer base to provide continued employment for the new vessels. Our growth will depend on:

- locating and acquiring suitable vessels;
- identifying and consummating acquisitions or joint ventures;
- integrating any acquired business successfully with our existing operations;
- enhancing our customer base;
- managing our expansion; and
- obtaining required financing.

Growing any business by acquisition presents numerous risks such as undisclosed liabilities and obligations, difficulty in obtaining additional qualified personnel, and managing relationships with customers and suppliers and integrating newly acquired operations into existing infrastructures. We cannot give any assurance that we will be successful in executing our growth plans or that we will not incur significant expenses and losses in connection therewith or that our acquisitions will perform as expected, which could materially adversely affect our results of operations and financial condition.

Our growth depends on continued growth in demand for drybulk commodities and the shipping of drybulk cargoes.

Our growth strategy focuses on expansion in the drybulk shipping sector. Accordingly, our growth depends on continued growth in world and regional demand for drybulk commodities and the shipping of drybulk cargoes, which could be negatively affected by a number of factors, such as declines in prices for drybulk commodities, or general political and economic conditions.

Reduced demand for drybulk commodities and the shipping of drybulk cargoes would have a material adverse effect on our future growth and could harm our business, results of operations and financial condition. In particular, Asian Pacific economies and India have been the main driving force behind the current increase in seaborne drybulk trade and the demand for drybulk carriers. A negative change in economic conditions in any Asian Pacific country, but particularly in China or

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Japan, as well as India, may have a material adverse effect on our business, financial condition and results of operations, as well as our future prospects, by reducing demand and resultant charter rates.

Our growth depends on our ability to expand relationships with existing customers and obtain new customers, for which we will face substantial competition.

Long-term time charters have the potential to provide income at pre-determined rates over more extended periods of time. However, the process for obtaining longer term time charters is highly competitive and generally involves a lengthy, intensive and continuous screening and vetting process and the submission of competitive bids that often extends for several months. In addition to the quality, age and suitability of the vessel, longer term shipping contracts tend to be awarded based upon a variety of other factors relating to the vessel operator, including:

- the operator's environmental, health and safety record;
- compliance with International Maritime Organization, or IMO, standards and the heightened industry standards that have been set by some energy companies;
- shipping industry relationships, reputation for customer service, technical and operating expertise;
- shipping experience and quality of ship operations, including cost-effectiveness;
- quality, experience and technical capability of crews;
- the ability to finance vessels at competitive rates and overall financial stability;
- relationships with shipyards and the ability to obtain suitable berths;
- construction management experience, including the ability to procure on-time delivery of new vessels according to customer specifications;
- willingness to accept operational risks pursuant to the charter, such as allowing termination of the charter for force majeure events; and
- competitiveness of the bid in terms of overall price.

It is likely that we will face substantial competition for long-term charter business from a number of experienced companies. Many of these competitors have significantly greater financial resources than we do. It is also likely that we will face increased numbers of competitors entering into our transportation sectors, including in the drybulk sector. Many of these competitors have strong reputations and extensive resources and experience. Increased competition may cause greater price competition, especially for long-term charters.

As a result of these factors, we may be unable to expand our relationships with existing customers or obtain new customers for long-term charters on a profitable basis, if at all. However, even if we are successful in employing our vessels under longer term charters, our vessels will not be available for trading in the spot market during an upturn in the drybulk market cycle, when spot trading may be more profitable. If we cannot successfully employ our vessels in profitable time charters our results of operations and operating cash flow could be adversely affected.

We may be unable to make or realize expected benefits from acquisitions, and implementing our growth strategy through acquisitions may harm our business, financial condition and operating results.

Our growth strategy focuses on a gradual expansion of our fleet. Any acquisition of a vessel may not be profitable to us at or after the time we acquire it and may not generate cash flow sufficient to justify our investment. In addition, our growth strategy exposes us to risks that may harm our business, financial condition and operating results, including risks that we may:

- fail to realize anticipated benefits, such as new customer relationships, cost-savings or cash flow enhancements;
- be unable to hire, train or retain qualified shore and seafaring personnel to manage and operate our growing business and fleet;

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- decrease our liquidity by using a significant portion of our available cash or borrowing capacity to finance acquisitions;
- significantly increase our interest expense or financial leverage if we incur additional debt to finance acquisitions;
- incur or assume unanticipated liabilities, losses or costs associated with the business or vessels acquired; or
- incur other significant charges, such as impairment of goodwill or other intangible assets, asset devaluation or restructuring charges.

Delays in deliveries of newbuilding vessels could harm our operating results.

Navios Aldebaran and Navios TBN I are newbuildings the delivery of which could be delayed, not completed or cancelled, which would delay our receipt of revenues under the charters or other contracts related to the vessels. The shipbuilder could fail to deliver the newbuilding vessel as agreed or their counterparty could cancel the purchase contract if the shipbuilder fails to meet its obligations. In addition, under charters we may enter into that are related to a newbuilding, if our delivery of the newbuilding to our customer is delayed, we may be required to pay liquidated damages during the delay. For prolonged delays, the customer may terminate the charter and, in addition to the resulting loss of revenues, we may be responsible for additional, substantial liquidated damages.

The completion and delivery of newbuildings could be delayed, cancelled or otherwise not completed because of:

- quality or engineering problems;
- changes in governmental regulations or maritime self-regulatory organization standards;
- work stoppages or other labor disturbances at the shipyard;
- bankruptcy or other financial crisis of the shipbuilder;
- a backlog of orders at the shipyard;
- political or economic disturbances;
- weather interference or catastrophic event, such as a major earthquake or fire;
- requests for changes to the original vessel specifications;
- shortages of or delays in the receipt of necessary construction materials, such as steel;
- inability to finance the construction or conversion of the vessels; or
- inability to obtain requisite permits or approvals.

If delivery of a vessel is materially delayed, it could materially adversely affect our results of operations and financial condition and our ability to make cash distributions.

The loss of a customer or charter or vessel could result in a loss of revenues and cash flow in the event we are unable to replace such customer, charter or vessel.

For the year ended December 31, 2006, Cargill International SA, Mitsui O.S.K. Lines, Ltd., American Bulk Transport, Inc. and COSCO Bulk Carrier Co., Ltd. accounted for 42.9% (for two charters), 25.0%, 10.2% and 10.1%, respectively, of our revenue. For the six months ended June 30, 2007, Cargill International SA, The Sanko Steamship Co., Ltd., Mitsui O.S.K. Lines, Ltd. and Augustea Imprese Maritime e di Salvataggi accounted for 34.2%, 22.7%, 20.0% and 14.9%, respectively, of our revenue. Upon delivery of Navios TBN I, we will have nine charters with seven customers.

We could lose a customer or the benefits of a charter if:

- the customer fails to make charter payments because of its financial inability, disagreements with us or otherwise;
- the customer exercises certain rights to terminate the charter;

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• the customer terminates the charter because we fail to deliver the vessel within a fixed period of time, the vessel is lost or damaged beyond repair, there are serious deficiencies in the vessel or prolonged periods of off-hire, or we default under the charter; or

• a prolonged force majeure event affecting the customer, including damage to or destruction of relevant production facilities, war or political unrest prevents us from performing services for that customer.

Please read ''Business—Time Charters.''

If we lose a charter, we may be unable to re-deploy the related vessel on terms as favorable to us due to the long-term nature of most charters and the cyclical nature of the industry or we may be forced to charter the vessel on the spot market at then market rates which may be less favorable that the charter that has been terminated. If we are unable to re-deploy a vessel for which the charter has been terminated, we will not receive any revenues from that vessel, but we may be required to pay expenses necessary to maintain the vessel in proper operating condition. In addition, if a customer exercises any right to purchase a vessel to the extent we have granted any such rights, we would not receive any further revenue from the vessel and may be unable to obtain a substitute vessel and charter. This may cause us to receive decreased revenue and cash flows from having fewer vessels operating in our fleet. Any replacement newbuilding would not generate revenues during its construction, and we may be unable to charter any replacement vessel on terms as favorable to us as those of the terminated charter. Any compensation under our charters for a purchase of the vessels may not adequately compensate us for the loss of the vessel and related time charter.

The permanent loss of a customer, time charter or vessel, or a decline in payments under our charters, could have a material adverse effect on our business, results of operations and financial condition and our ability to make cash distributions in the event we are unable to replace such customer, time charter or vessel.

Historically high numbers of newbuildings are currently under construction in the drybulk industry, which could have a material adverse effect on our future results of operations.

According to Drewry Shipping Consultants Ltd., newbuildings with an aggregate capacity equal to approximately 44.8% of the current world drybulk carrier fleet capacity are currently under construction, which is high relative to historical levels. Furthermore, in the Panamax and Capesize size range in which we operate, the vessels on order represent approximately 52.8% of the current fleet capacity, which also is high historically. This large order book will result in high levels of deliveries over the next few years, which will significantly increase the size of the world fleet of drybulk carriers. This may have a negative impact on charter rates and vessel values depending on the ultimate rate of growth of the fleet which is also dependent on the number of drybulk carriers taken off-line. Please read ''The International Drybulk Shipping Industry.'' A material increase in the net supply of drybulk carrier capacity without corresponding growth in drybulk carrier demand could have a material adverse effect on our fleet utilization and our charter rates and could accordingly materially adversely affect our business, financial condition and operating results.

The risks and costs associated with vessels increase as the vessels age.

Assuming delivery of Navios TBN I in June 2009, the vessels in our fleet will have an average age of approximately 5.5 years in June 2009, and most drybulk vessels have an expected life of approximately 25 years. We may acquire older vessels in the future. In some instances, charterers prefer newer vessels that are more fuel efficient than older vessels. Cargo insurance rates also increase with the age of a vessel, making older vessels less desirable to charterers as well. Governmental regulations, safety or other equipment standards related to the age of the vessels may require expenditures for alterations or the addition of new equipment, to our vessels and may restrict the type of activities in which these vessels may engage. We cannot assure you that as our vessels age, market conditions will justify those expenditures or enable us to operate our vessels profitably during the remainder of their useful lives. If we sell vessels, we may have to sell them at a loss, and if charterers no longer charter out vessels due to their age, it could materially adversely affect our earnings.

Vessels may suffer damage and we may face unexpected drydocking costs, which could affect our cash flow and financial condition.

If our owned vessels suffer damage, they may need to be repaired at a drydocking facility. The costs of drydock repairs are unpredictable and can be substantial. We may have to pay drydocking costs that insurance does not cover. The loss of earnings while these vessels are being repaired and repositioned, as well as the actual cost of these repairs, could decrease our revenues and earnings substantially, particularly if a number of vessels are damaged or drydocked at the same time. Under the terms of our management agreement with Navios ShipManagement, the costs of drydocking repairs will be included in the daily management fee of $4,000 per owned Panamax vessel and $5,000 per owned Capesize vessel which will be fixed for the first two years of the term of that agreement. During the remaining three years of the term of the management agreement, we expect that we will reimburse Navios ShipManagement for all of the actual operating costs and expenses it incurs in connection with the management of our fleet.

We are subject to various laws, regulations and conventions, including environmental laws, that could require significant expenditures both to maintain compliance with such laws and to pay for any uninsured environmental liabilities resulting from a spill or other environmental disaster.

The shipping business and vessel operation are materially affected by government regulation in the form of international conventions, national, state, and local laws, and regulations in force in the jurisdictions in which vessels operate, as well as in the country or countries of their registration. Because such conventions, laws, and regulations are often revised, we cannot predict the ultimate cost of complying with such conventions, laws, and regulations, or the impact thereof on the resale price or useful life of our vessels. Additional conventions, laws, and regulations may be adopted which could limit our ability to do business or increase our cost of doing business, which may materially adversely affect our operations, as well as the shipping industry generally. We are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses, and certificates with respect to our operations.

The operation of vessels is also affected by the requirements set forth in the International Safety Management, or ISM Code. The ISM Code requires shipowners and bareboat charterers to develop and maintain an extensive ‘‘Safety Management System’’ that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe vessel operation and describing procedures for dealing with emergencies. The failure of a shipowner or bareboat charterer to comply with the ISM Code may subject such party to increased liability, may decrease available insurance coverage for the affected vessels, and may result in a denial of access to, or detention in, certain ports. Currently, each of the vessels in our owned fleet is ISM Code-certified. However, there can be no assurance that such certification will be maintained indefinitely.

For drybulk vessels, such as those operated under our fleet, at present, there is no international oil pollution regime in force that comprehensively governs liability for oil pollution from ship’s bunkers. In 2001, the International Maritime Organization, or IMO, adopted the International Convention on Civil Liability for Bunker Oil Pollution Damage, or the Bunker Convention, which imposes strict liability on shipowners for pollution damage in contracting states caused by discharges of bunker oil from drybulk vessels. The Bunker Convention also requires registered owners of ships over a certain size to maintain insurance to cover their liability for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime (but not exceeding the amount calculated in accordance with the Convention on Limitation of Liability for Maritime Claims 1976, as amended, or the 1976 Convention). The Bunker Convention has not yet received sufficient ratifications to come into force. In the meantime, liability for such bunker oil pollution typically is determined by the national or other domestic laws in the jurisdiction where the spillage occurs.

In the United States, the Oil Pollution Act of 1990, or the OPA, establishes an extensive regulatory and liability regime for the protection and cleanup of the environment from oil spills, including bunker oil spills from drybulk vessels as well as cargo or bunker oil spills from tankers. The OPA affects all owners and operators whose vessels trade in the United States, its territories and possessions or whose vessels operate in United States waters, which includes the United States' territorial sea and its 200 nautical mile exclusive economic zone. Under the OPA, vessel owners, operators and bareboat charterers are ''responsible parties'' and are jointly, severally and strictly liable (unless the spill results solely from the act or omission of a third party, an act of God or an act of war) for all containment and clean-up costs and other damages arising from discharges or substantial threats of discharges, of oil from their vessels. In addition to potential liability under OPA as the relevant federal legislation, vessel owners may in some instances incur liability on an even more stringent basis under state law in the particular state where the spillage occurred.

Outside of the United States, other national laws generally provide for the owner to bear strict liability for pollution, subject to a right to limit liability under applicable national or international regimes for limitation of liability. The most widely applicable international regime limiting maritime pollution liability is the 1976 Convention. Rights to limit liability under the 1976 Convention are forfeited where a spill is caused by a shipowner's intentional or reckless conduct. Certain jurisdictions have ratified the IMO's Protocol of 1996, which substantially increases the liability limits set forth in the 1976 London Convention. Finally, some jurisdictions are not a party to either the 1976 Convention or the Protocol of 1996, and, therefore, a shipowner's rights to limit liability for maritime pollution in such jurisdictions may be uncertain.

In 2005, the European Union adopted a directive on ship-source pollution, imposing criminal sanctions for intentional, reckless or seriously negligent pollution discharges by ships. The directive could result in criminal liability being incurred in circumstances where it would not be incurred under international law as set out in the International Convention for the Prevention of Pollution from Ships, or the MARPOL Convention. Criminal liability for an oil pollution incident could not only result in us incurring substantial penalties or fines but may also, in some jurisdictions, facilitate civil liability claims for greater compensation than would otherwise have been payable.

We currently maintain, for each of our owned vessels, insurance coverage against pollution liability risks in the amount of $1.0 billion per incident. The insured risks include penalties and fines as well as civil liabilities and expenses resulting from accidental pollution. However, this insurance coverage is subject to exclusions, deductibles and other terms and conditions. If any liabilities or expenses fall with an exclusion from coverage, or if damages from a catastrophic incident exceed the $1.0 billion limitation of coverage per incident, our cash flow, profitability and financial position could be adversely impacted.

The loss of key members of our senior management team could disrupt the management of our business.

We believe that our success depends on the continued contributions of the members of our senior management team, including Ms. Angeliki Frangou, our Chairman and Chief Executive Officer, and the senior management team of Navios Maritime. The loss of the services of Ms. Frangou or one of our other executive officers or those of Navios Maritime who provide us with significant managerial services could impair our ability to identify and secure new charter contracts, to maintain good customer relations and to otherwise manage our business, which could have a material adverse effect on our financial performance and our ability to compete.

We are subject to vessel security regulations and will incur costs to comply with recently adopted regulations and may be subject to costs to comply with similar regulations which may be adopted in the future in response to terrorism.

Since the terrorist attacks of September 11, 2001, there have been a variety of initiatives intended to enhance vessel security. On November 25, 2002, the Maritime Transportation Security Act of 2002, or MTSA, came into effect. To implement certain portions of the MTSA, in July 2003, the U.S. Coast Guard issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the

United States. Similarly, in December 2002, amendments to the International Convention for the Safety of Life at Sea, or SOLAS, created a new chapter of the convention dealing specifically with maritime security. The new chapter went into effect in July 2004, and imposes various detailed security obligations on vessels and port authorities, most of which are contained in the newly created International Ship and Port Facilities Security Code, or ISPS Code. Among the various requirements are:

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- on-board installation of automatic information systems, or AIS, to enhance vessel-to-vessel and vessel-to-shore communications;
- on-board installation of ship security alert systems;
- the development of vessel security plans; and
- compliance with flag state security certification requirements.

Furthermore, additional security measures could be required in the future which could have a significant financial impact on us. The U.S. Coast Guard regulations, intended to be aligned with international maritime security standards, exempt non-U.S. vessels from MTSA vessel security measures, provided such vessels have on board, by July 1, 2004, a valid International Ship Security Certificate, or ISSC, that attests to the vessel's compliance with SOLAS security requirements and the ISPS Code. We will implement the various security measures addressed by the MTSA, SOLAS and the ISPS Code and take measures for the vessels to attain compliance with all applicable security requirements within the prescribed time periods. Although management does not believe these additional requirements will have a material financial impact on our operations, there can be no assurance that there will not be an interruption in operations to bring vessels into compliance with the applicable requirements and any such interruption could cause a decrease in charter revenues. Furthermore, additional security measures could be required in the future which could have a significant financial impact on us.

The operation of ocean-going vessels entails the possibility of marine disasters including damage or destruction of the vessel due to accident, the loss of a vessel due to piracy or terrorism, damage or destruction of cargo and similar events that may cause a loss of revenue from affected vessels and damage our business reputation, which may in turn lead to loss of business.

The operation of ocean-going vessels entails certain inherent risks that may materially adversely affect our business and reputation, including:

- damage or destruction of vessel due to marine disaster such as a collision;
- the loss of a vessel due to piracy and terrorism;
- cargo and property losses or damage as a result of the foregoing or less drastic causes such as human error, mechanical failure and bad weather;
- environmental accidents as a result of the foregoing; and
- business interruptions and delivery delays caused by mechanical failure, human error, war, terrorism, political action in various countries, labor strikes or adverse weather conditions.

Any of these circumstances or events could substantially increase our costs. For example, the costs of replacing a vessel or cleaning up a spill could substantially lower its revenues by taking vessels out of operation permanently or for periods of time. The involvement of our vessels in a disaster or delays in delivery or damages or loss of cargo may harm our reputation as a safe and reliable vessel operator and cause us to lose business.

A failure to pass inspection by classification societies could result in one or more vessels being unemployable unless and until they pass inspection, resulting in a loss of revenues from such vessels for that period and a corresponding decrease in operating cash flows.

The hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and the United Nations Safety of Life at Sea Convention. Our owned fleet is currently enrolled with Lloyd's Register of Shipping, Nippon Kaiji Kiokai and Bureau Veritas.

A vessel must undergo an annual survey, an intermediate survey and a special survey. In lieu of a special survey, a vessel's machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. Our vessels are on special survey cycles for hull inspection and continuous survey cycles for machinery inspection. Every vessel is also required to be drydocked every two to three years for inspection of the underwater parts of such vessel.

If any vessel fails any annual survey, intermediate survey or special survey, the vessel may be unable to trade between ports and, therefore, would be unemployable, potentially causing a negative impact on our revenues due to the loss of revenues from such vessel until it was able to trade again.

We are subject to inherent operational risks that may not be adequately covered by our insurance.

The operation of ocean-going vessels in international trade is inherently risky. Although we carry insurance for our fleet against risks commonly insured against by vessel owners and operators, including hull and machinery insurance, war risks insurance and protection and indemnity insurance (which include environmental damage and pollution insurance), all risks may not be adequately insured against, and any particular claim may not be paid. We do not currently maintain off-hire insurance, which would cover the loss of revenue during extended vessel off-hire periods, such as those that occur during an unscheduled drydocking due to damage to the vessel from accidents. Accordingly, any extended vessel off-hire, due to an accident or otherwise, could have a material adverse effect on our business and our ability to pay distributions to our unitholders. Any claims covered by insurance would be subject to deductibles, and since it is possible that a large number of claims may be brought, the aggregate amount of these deductibles could be material.

We may be unable to procure adequate insurance coverage at commercially reasonable rates in the future. For example, more stringent environmental regulations have led in the past to increased costs for, and in the future may result in the lack of availability of, insurance against risks of environmental damage or pollution. A catastrophic oil spill or marine disaster could exceed our insurance coverage, which could harm our business, financial condition and operating results. Changes in the insurance markets attributable to terrorist attacks may also make certain types of insurance more difficult for us to obtain. In addition, the insurance that may be available to us may be significantly more expensive than our existing coverage.

Even if our insurance coverage is adequate to cover our losses, we may not be able to timely obtain a replacement vessel in the event of a loss. Furthermore, in the future, we may not be able to obtain adequate insurance coverage at reasonable rates for our fleet. Our insurance policies also contain deductibles, limitations and exclusions which can result in significant increased overall costs to us.

Because we obtain some of our insurance through protection and indemnity associations, we may also be subject to calls, or premiums, in amounts based not only on our own claim records, but also the claim records of all other members of the protection and indemnity associations.

We may be subject to calls, or premiums, in amounts based not only on our claim records but also the claim records of all other members of the protection and indemnity associations through which we receive insurance coverage for tort liability, including pollution-related liability. Our payment of these calls could result in significant expenses to us, which could have a material adverse effect on our business, results of operations and financial condition.

Because we generate all of our revenues in U.S. dollars but incur a portion of our expenses in other currencies, exchange rate fluctuations could cause us to suffer exchange rate losses thereby increasing expenses and reducing income.

We will engage in worldwide commerce with a variety of entities. Although our operations may expose us to certain levels of foreign currency risk, our transactions are at present predominantly 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. Expenses incurred in foreign currencies against which the U.S. dollar falls in value can increase, decreasing our income. For example, during the first six months of 2007, the value of the U.S. dollar declined by approximately 2.4% as compared to the Euro. A greater percentage of our transactions and expenses in the future may be denominated in currencies other than the U.S. dollar.

Our operations expose us to global political risks, such as wars and political instability that may interfere with the operation of our vessels causing a decrease in revenues from such vessels.

We are an international company and primarily conduct our operations outside the United States. Changing economic, political and governmental conditions in the countries where we are engaged in business or where our vessels are registered will affect us. In the past, political conflicts, particularly in the Persian Gulf, resulted in attacks on vessels, mining of waterways and other efforts to disrupt shipping in the area. For example, in October 2002, the vessel Limburg, which was not affiliated with us, was attacked by terrorists in Yemen. Acts of terrorism and piracy have also affected vessels trading in regions such as the South China Sea. Following the terrorist attack in New York City on September 11, 2001, and the military response of the United States, the likelihood of future acts of terrorism may increase, and our vessels may face higher risks of being attacked in the Middle East region and interruption of operations causing a decrease in revenues. In addition, future hostilities or other political instability in regions where our vessels trade could affect our trade patterns and adversely affect our operations by causing delays in shipping on certain routes or making shipping impossible on such routes, thereby causing a decrease in revenues.

A government could requisition title or seize our vessels during a war or national emergency. Requisition of title occurs when a government takes a vessel and becomes the owner. A government could also requisition our vessels for hire, which would result in the government's taking control of a vessel and effectively becoming the charterer at a dictated charter rate. Requisition of one or more of our vessels would have a substantial negative effect on us as we would potentially lose all revenues and earnings from the requisitioned vessels and permanently lose the vessels. Such losses might be partially offset if the requisitioning government compensated us for the requisition.

Maritime claimants could arrest our vessels, which could interrupt our cash flow.

Crew members, suppliers of goods and services to a vessel, shippers of cargo, and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts, claims or damages against such vessel. In many jurisdictions, a maritime lien holder may enforce its lien by arresting a vessel through foreclosure proceedings. The arrest or attachment of one or more of our vessels could interrupt our cash flow and require us to pay large sums of funds to have the arrest lifted. We are not currently aware of the existence of any such maritime lien on our vessels.

In addition, in some jurisdictions, such as South Africa, under the ''sister ship'' theory of liability, a claimant may arrest both the vessel which is subject to the claimant's maritime lien and any ''associated'' vessel, which is any vessel owned or controlled by the same owner. Claimants could try to assert ''sister ship'' liability against one vessel in our fleet for claims relating to another ship in the fleet.

We have no history operating as a separate publicly traded entity and will incur increased costs as a result of being a publicly traded limited partnership.

We have no history operating as a separate publicly traded entity. As a publicly traded limited partnership, we will be required to comply with the SEC's reporting requirements and with corporate governance and related requirements of the Sarbanes-Oxley Act, the SEC and the securities exchange on which our common units will be listed. We will incur significant legal, accounting and other expenses in complying with these and other applicable regulations. We anticipate that our general and administrative expenses as a publicly traded limited partnership taxed as a corporation for U.S. federal income tax purposes will be approximately $2.0 million annually, and will include costs associated with annual reports to unitholders, tax return, investor relations, registrar and transfer agent's fees, director and officer liability insurance costs and director compensation.

Risks Inherent in an Investment in Us

Navios Maritime and its affiliates may compete with us.

Pursuant to the omnibus agreement that we and Navios Maritime will enter into in connection with the closing of this offering, Navios Maritime and its controlled affiliates (other than us, our general partner and our subsidiaries) generally will agree not to acquire or own Panamax or Capesize drybulk carriers under time charters of three or more years without the consent of our general partner. The omnibus agreement, however, contains significant exceptions that will allow Navios Maritime or any of its controlled affiliates to compete with us under specified circumstances which could harm our business. Please read ‘‘Certain Relationships and Related Party Transactions—Agreements Governing the Transactions—Omnibus Agreement—Noncompetition.’’

Unitholders have limited voting rights and our partnership agreement restricts the voting rights of unitholders owning more than 4.9% of our common units.

Holders of common units have only limited voting rights on matters affecting our business. We will hold a meeting of the limited partners every year to elect one or more members of our board of directors and to vote on any other matters that are properly brought before the meeting. Common unitholders may only elect four of the seven members of our board of directors. The elected directors will be elected on a staggered basis and will serve for three year terms. Our general partner in its sole discretion has the right to appoint the remaining three directors and to set the terms for which those directors will serve. The partnership agreement also contains provisions limiting the ability of unitholders to call meetings or to acquire information about our operations, as well as other provisions limiting the unitholders' ability to influence the manner or direction of management. Unitholders will have no right to elect our general partner and our general partner may not be removed except by a vote of the holders of at least 662/3% of the outstanding units, including any units owned by our general partner and its affiliates, voting together as a single class.

Our partnership agreement further restricts unitholders' voting rights by providing that if any person or group owns beneficially more than 4.9% of any class of units then outstanding, any such units owned by that person or group in excess of 4.9% may not be voted on any matter and will not be considered to be outstanding when sending notices of a meeting of unitholders, calculating required votes, except for purposes of nominating a person for election to our board, determining the presence of a quorum or for other similar purposes, unless required by law. The voting rights of any such unitholders in excess of 4.9% will effectively be redistributed pro rata among the other common unitholders holding less than 4.9% of the voting power of all classes of units entitled to vote. Our general partner, its affiliates and persons who acquired common units with the prior approval of our board of directors will not be subject to this 4.9% limitation except with respect to voting their common units in the election of the elected directors.

Our general partner and its affiliates, including Navios Maritime, own a significant interest in us and have conflicts of interest and limited fiduciary and contractual duties, which may permit them to favor their own interests to your detriment.

Following this offering, Navios Maritime will indirectly own the 2.0% general partner interest and a 41.2% limited partner interest in us, assuming no exercise of the underwriters' overallotment option, and will own and control our general partner. All of our officers and three of our directors are directors and/or officers of Navios Maritime and its affiliates and as such they have fiduciary duties to Navios Maritime that may cause them to pursue business strategies that disproportionately benefit Navios Maritime or which otherwise are not in the best interests of us or our unitholders. Conflicts of interest may arise between Navios Maritime and its affiliates, including our general partner on the one hand, and us and our unitholders, on the other hand. As a result of these conflicts, our general partner and its affiliates may favor their own interests over the interests of our unitholders. Please read ‘‘—Our partnership agreement limits our general partner's and our directors' fiduciary duties to our unitholders and restricts the remedies available to unitholders for actions taken by our general partner or our directors.’’ These conflicts include, among others, the following situations:

• neither our partnership agreement nor any other agreement requires our general partner or Navios Maritime or its affiliates to pursue a business strategy that favors us or utilizes our assets, and Navios Maritime's officers and directors have a fiduciary duty to make decisions in the best interests of the stockholders of Navios Maritime, which may be contrary to our interests;

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- our general partner and our board of directors are allowed to take into account the interests of parties other than us, such as Navios Maritime, in resolving conflicts of interest, which has the effect of limiting their fiduciary duties to our unitholders;
- our general partner and our directors have limited their liabilities and reduced their fiduciary duties under the laws of the Marshall Islands, while also restricting the remedies available to our unitholders, and, as a result of purchasing common units, unitholders are treated as having agreed to the modified standard of fiduciary duties and to certain actions that may be taken by our general partner and our directors, all as set forth in the partnership agreement;
- our general partner and our board of directors will be involved in determining the amount and timing of our asset purchases and sales, capital expenditures, borrowings, issuances of additional partnership securities and reserves, each of which can affect the amount of cash that is available for distribution to our unitholders;
- our general partner may have substantial influence over our board of directors' decision to cause us to borrow funds in order to permit the payment of cash distributions, even if the purpose or effect of the borrowing is to make a distribution on the subordinated units or to make incentive distributions or to accelerate the expiration of the subordination period;
- our general partner is entitled to reimbursement of all reasonable costs incurred by it and its affiliates for our benefit;
- our partnership agreement does not restrict us from paying our general partner or its affiliates for any services rendered to us on terms that are fair and reasonable or entering into additional contractual arrangements with any of these entities on our behalf; and
- our general partner may exercise its right to call and purchase our common units if it and its affiliates own more than 80% of our common units.

Although a majority of our directors will be elected by common unitholders, our general partner will likely have substantial influence on decisions made by our board of directors. Please read ''Certain Relationships and Related Party Transactions,'' ''Conflicts of Interest and Fiduciary Duties'' and ''The Partnership Agreement.''

Our officers face conflicts in the allocation of their time to our business.

Navios Maritime conducts businesses and activities of its own in which we have no economic interest. If these separate activities are significantly greater than our activities, there will be material competition for the time and effort of our officers, who also provide services to Navios Maritime and its affiliates. Our officers are not required to work full-time on our affairs and are required to devote time to the affairs of Navios Maritime and its affiliates. Each of our Chief Executive Officer and our Chief Financial Officer is also an executive officer of Navios Maritime.

Our partnership agreement limits our general partner's and our directors' fiduciary duties to our unitholders and restricts the remedies available to unitholders for actions taken by our general partner or our directors.

Our partnership agreement contains provisions that reduce the standards to which our general partner and directors would otherwise be held by Marshall Islands law. For example, our partnership agreement:

- permits our general partner to make a number of decisions in its individual capacity, as opposed to in its capacity as our general partner. Where our partnership agreement permits, our general partner may consider only the interests and factors that it desires, and in such cases it has no fiduciary duty or obligation to give any consideration to any interest of, or factors affecting us, our affiliates or our unitholders. Decisions made by our general partner in its individual capacity will be made by its sole owner, Navios Maritime. Specifically, pursuant to our partnership agreement, our general partner will be considered to be acting in its individual capacity if it exercises its call right, pre-emptive rights or registration rights, consents or withholds consent to any merger or consolidation of the partnership, appoints any

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directors or votes for the election of any director, votes or refrains from voting on amendments to our partnership agreement that require a vote of the outstanding units, voluntarily withdraws from the partnership, transfers (to the extent permitted under our partnership agreement) or refrains from transferring its units, general partner interest or incentive distribution rights or votes upon the dissolution of the partnership;

- provides that our general partner and our directors are entitled to make other decisions in ‘‘good faith’’ if they reasonably believe that the decision is in our best interests;
- generally provides that affiliated transactions and resolutions of conflicts of interest not approved by the conflicts committee of our board of directors and not involving a vote of unitholders must be on terms no less favorable to us than those generally being provided to or available from unrelated third parties or be ‘‘fair and reasonable’’ to us and that, in determining whether a transaction or resolution is ‘‘fair and reasonable,’’ our board of directors may consider the totality of the relationships between the parties involved, including other transactions that may be particularly advantageous or beneficial to us; and
- provides that neither our general partner nor our officers or our directors will be liable for monetary damages to us, our limited partners or assignees for any acts or omissions unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that our general partner or directors or our officers or directors or those other persons engaged in actual fraud or willful misconduct.

In order to become a limited partner of our partnership, a common unitholder is required to agree to be bound by the provisions in the partnership agreement, including the provisions discussed above. Please read ‘‘Conflicts of Interest and Fiduciary Duties—Fiduciary Duties.’’

Fees and cost reimbursements, which Navios ShipManagement will determine for services provided to us, will be significant, will be payable regardless of profitability and will reduce our cash available for distribution.

Under the terms of our management agreement with Navios ShipManagement, we will pay a daily fee of $4,000 per owned Panamax vessel and $5,000 per owned Capesize vessel for technical and commercial management services provided to us by Navios ShipManagement. The initial term of the management agreement will be five years from the closing of this offering and this fee will be fixed for the first two years of that agreement. The daily fee to be paid to Navios ShipManagement includes all costs incurred in providing certain commercial and technical management services to us as described under ‘‘Certain Relationships and Related Party Transactions—Agreements Governing the Transactions—Management Agreement.’’ While this fee is fixed for an initial term of two years, for the remaining three years of the term of the management agreement, we expect that we will reimburse Navios ShipManagement for all of the actual operating costs and expenses it incurs in connection with the management of our fleet, which may result in significantly higher fees for the remaining three years of the term. All of the fees we are required to pay to Navios ShipManagement under the management agreement will be payable to our manager without regard to our financial condition or results of operations. In addition, Navios ShipManagement will provide us with administrative services, including the services of our officers and directors, pursuant to an administrative services agreement which has an initial term of five years, and we will reimburse Navios ShipManagement for all costs and expenses reasonably incurred by it in connection with the provision of those services. The exact amount of these future costs and expenses are unquantifiable at this time. The fees and reimbursement of expenses to Navios ShipManagement are payable regardless of our profitability and could materially adversely affect our ability to pay cash distributions.

Our partnership agreement contains provisions that may have the effect of discouraging a person or group from attempting to remove our current management or our general partner, and even if public unitholders are dissatisfied, they will be unable to remove our general partner without Navios Maritime’s consent, unless Navios Maritime’s ownership share in us is decreased; all of which could diminish the trading price of our common units.

Our partnership agreement contains provisions that may have the effect of discouraging a person or group from attempting to remove our current management or our general partner.

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- Assuming no exercise of the underwriters' over-allotment option, the unitholders will be unable initially to remove our general partner without its consent because our general partner and its affiliates will own sufficient units upon completion of this offering to be able to prevent its removal. The vote of the holders of at least 662/3% of all outstanding common and subordinated units voting together as a single class is required to remove the general partner. Following the closing of this offering, Navios Maritime will own 41.2% of the total number of common and subordinated units, assuming no exercise of the underwriters' overallotment option.
- If our general partner is removed without ''cause'' during the subordination period and units held by our general partner and Navios Maritime are not voted in favor of that removal, (i) all remaining subordinated units will automatically convert into common units, (ii) any existing arrearages on the common units will be extinguished and (iii) our general partner will have the right to convert its general partner interest and its incentive distribution rights into common units or to receive cash in exchange for those interests based on the fair market value of the interests at the time. A removal of our general partner under these circumstances would adversely affect the common units by prematurely eliminating their distribution and liquidation preference over the subordinated units, which would otherwise have continued until we had met certain distribution and performance tests. Any conversion of the general partner interest and incentive distribution rights would be dilutive to existing unitholders. Furthermore, any cash payment in lieu of such conversion could be prohibitively large. ''Cause'' is narrowly defined to mean that a court of competent jurisdiction has entered a final, non-appealable judgment finding our general partner liable for actual fraud or willful or wanton misconduct in its capacity as our general partner. Cause does not include most cases of charges of poor business decisions such as charges of poor management of our business by the directors appointed by our general partner, so the removal of our general partner because of the unitholders' dissatisfaction with the general partner's decisions in this regard would most likely result in the termination of the subordination period.
- Common unitholders elect only four of the seven members of our board of directors. Our general partner in its sole discretion has the right to appoint the remaining three directors.
- Election of the four directors elected by unitholders is staggered, meaning that the members of only one of three classes of our elected directors are selected each year. In addition, the directors appointed by our general partner will serve for terms determined by our general partner.
- Our partnership agreement contains provisions limiting the ability of unitholders to call meetings of unitholders, to nominate directors and to acquire information about our operations as well as other provisions limiting the unitholders' ability to influence the manner or direction of management.
- Unitholders' voting rights are further restricted by the partnership agreement provision providing that if any person or group owns beneficially more than 4.9% of any class of units then outstanding, any such units owned by that person or group in excess of 4.9% may not be voted on any matter and will not be considered to be outstanding when sending notices of a meeting of unitholders, calculating required votes, except for purposes of nominating a person for election to our board, determining the presence of a quorum or for other similar purposes, unless required by law. The voting rights of any such unitholders in excess of 4.9% will be redistributed pro rata among the other common unitholders holding less than 4.9% of the voting power of all classes of units entitled to vote. Our general partner, its affiliates and persons who acquired common units with the prior approval of our board of directors will not be subject to this 4.9% limitation except with respect to voting their common units in the election of the elected directors.
- We have substantial latitude in issuing equity securities without unitholder approval.

The effect of these provisions may be to diminish the price at which the common units will trade.

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The control of our general partner may be transferred to a third party without unitholder consent.

Our general partner may transfer its general partner interest to a third party in a merger or in a sale of all or substantially all of its assets without the consent of the unitholders. In addition, our partnership agreement does not restrict the ability of the members of our general partner from transferring their respective membership interests in our general partner to a third party.

Substantial future sales of our common units in the public market could cause the price of our common units to fall.

We have granted registration rights to Navios Maritime and certain affiliates of Navios Maritime, including Amadeus Maritime S.A., a corporation owned by Angeliki Frangou. These unitholders have the right subject to some conditions to require us to file registration statements covering any of our common, subordinated or other equity securities owned by them or to include those securities in registration statements that we may file for ourselves or other unitholders. Upon the closing of this offering, Navios Maritime will own 7,621,843 subordinated units and the incentive distribution rights. Following their registration and sale under an applicable registration statement, those securities will become freely tradable. By exercising their registration rights and selling a large number of common units or other securities, these unitholders could cause the price of our common units to decline.

You will experience immediate and substantial dilution of $21.30 per common unit.

The assumed initial public offering price of $20.00 per common unit exceeds pro forma net tangible book value of $(1.30) per common unit. Based on the assumed initial public offering price, you will incur immediate and substantial dilution of $21.30 per common unit. This dilution results primarily because the assets contributed by our general partner and its affiliates are recorded at their historical cost, and not their fair value, in accordance with accounting principles generally accepted in the United States, or GAAP. Please read ‘‘Dilution.’’

We may issue additional equity securities without your approval, which would dilute your ownership interests.

We may, without the approval of our unitholders, issue an unlimited number of additional units or other equity securities. The issuance by us of additional common units or other equity securities of equal or senior rank will have the following effects:

- our unitholders’ proportionate ownership interest in us will decrease;
- the amount of cash available for distribution on each unit may decrease;
- because a lower percentage of total outstanding units will be subordinated units, the risk that a shortfall in the payment of the minimum quarterly distribution will be borne by our common unitholders will increase;
- the relative voting strength of each previously outstanding unit may be diminished; and
- the market price of the common units may decline.

In establishing cash reserves, our board of directors may reduce the amount of cash available for distribution to you.

Our partnership agreement requires our general partner to deduct from operating surplus cash reserves that it determines are necessary to fund our future operating expenditures. These reserves also will affect the amount of cash available for distribution to our unitholders. Our board of directors may establish reserves for distributions on the subordinated units, but only if those reserves will not prevent us from distributing the full minimum quarterly distribution, plus any arrearages, on the common units for the following four quarters. As described above in ‘‘—Risks Inherent in Our Business—We must make substantial capital expenditures to maintain the operating capacity of our fleet, which will reduce our cash available for distribution. In addition, each quarter our board of directors is required to deduct estimated maintenance and replacement capital expenditures from operating surplus, which may result in less cash available to unitholders than if actual maintenance and replacement capital expenditures were deducted,'' our partnership agreement requires our board of directors each quarter to deduct from operating surplus estimated maintenance and replacement capital expenditures, as opposed to actual expenditures, which could reduce the amount of available cash for distribution. The amount of estimated maintenance and replacement capital expenditures deducted from operating surplus is subject to review and change by our board of directors at least once a year, provided that any change must be approved by the conflicts committee of our board of directors.

Our general partner has a limited call right that may require you to sell your common units at an undesirable time or price.

If at any time our general partner and its affiliates, including Navios Maritime, own more than 80% of the common units, our general partner will have the right, which it may assign to any of its affiliates or to us, but not the obligation, to acquire all, but not less than all, of the common units held by unaffiliated persons at a price not less than their then-current market price. As a result, you may be required to sell your common units at an undesirable time or price and may not receive any return on your investment. You may also incur a tax liability upon a sale of your units. For additional information about the limited call right, please read ''The Partnership Agreement—Limited Call Right.''

At the completion of this offering, Navios Maritime, an affiliate of our general partner, will not own any of our common units. At the end of the subordination period, assuming no additional issuances of common units, no exercise of the underwriters' overallotment option and conversion of our subordinated units into common units, Navios Maritime will own 7,621,843 common units, representing a 41.2% limited partner interest in us.

You may not have limited liability if a court finds that unitholder action constitutes control of our business.

As a limited partner in a partnership organized under the laws of the Marshall Islands, you could be held liable for our obligations to the same extent as a general partner if you participate in the ''control'' of our business. Our general partner generally has unlimited liability for the obligations of the partnership, such as its debts and environmental liabilities, except for those contractual obligations of the partnership that are expressly made without recourse to our general partner. Please read ''The Partnership Agreement—Limited Liability'' for a discussion of the implications of the limitations on liability of a unitholder.

We can borrow money to pay distributions, which would reduce the amount of credit available to operate our business.

Our partnership agreement will allow us to make working capital borrowings to pay distributions. Accordingly, we can make distributions on all our units even though cash generated by our operations may not be sufficient to pay such distributions. Any working capital borrowings by us to make distributions will reduce the amount of working capital borrowings we can make for operating our business. For more information, please read ''Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.''

Increases in interest rates may cause the market price of our common units to decline.

An increase in interest rates may cause a corresponding decline in demand for equity investments in general, and in particular for yield-based equity investments such as our common units. Any such increase in interest rates or reduction in demand for our common units resulting from other relatively more attractive investment opportunities may cause the trading price of our common units to decline. In addition, our interest expense will increase, since initially our debt will bear interest at a floating rate, subject to any interest rate swaps we may enter into the future.

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There is no existing market for our common units, and a trading market that will provide you with adequate liquidity may not develop. The price of our common units may fluctuate significantly, and you could lose all or part of your investment.

Prior to this offering, there has been no public market for the common units. Immediately upon completion of this offering and the concurrent offering to a corporation owned by Angeliki Frangou, there will be only 10,500,000 common units outstanding. We do not know the extent to which investor interest will lead to the development of a trading market or how liquid that market might be. You may not be able to resell your common units at or above the initial public offering price. Additionally, the lack of liquidity may result in wide bid-ask spreads, contribute to significant fluctuations in the market price of the common units and limit the number of investors who are able to buy the common units.

Unitholders may have liability to repay distributions.

Under some circumstances, unitholders may have to repay amounts wrongfully returned or distributed to them. Under the Marshall Islands Act, we may not make a distribution to you if the distribution would cause our liabilities to exceed the fair value of our assets. Marshall Islands law provides that for a period of three years from the date of the impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Marshall Islands law will be liable to the limited partnership for the distribution amount. Assignees who become substituted limited partners are liable for the obligations of the assignor to make contributions to the partnership that are known to the assignee at the time it became a limited partner and for unknown obligations if the liabilities could be determined from the partnership agreement. Liabilities to partners on account of their partnership interest and liabilities that are non-recourse to the partnership are not counted for purposes of determining whether a distribution is permitted.

We have been organized as a limited partnership under the laws of the Republic of the Marshall Islands, which does not have a well developed body of partnership law; as a result, unitholders may have more difficulty in protecting their interests than would unitholders of a similarly organized limited partnership in the United States.

Our partnership affairs are governed by our partnership agreement and by the Marshall Islands Act. The provisions of the Marshall Islands Act resemble provisions of the limited partnership laws of a number of states in the United States, most notably Delaware. The Marshall Islands Act also provides that it is to be applied and construed to make it uniform with the Delaware Revised Uniform Partnership Act and, so long as it does not conflict with the Marshall Islands Act or decisions of the Marshall Islands courts, interpreted according to the non-statutory law (or case law) of the State of Delaware. There have been, however, few, if any, court cases in the Marshall Islands interpreting the Marshall Islands Act, in contrast to Delaware, which has a fairly well-developed body of case law interpreting its limited partnership statute. Accordingly, we cannot predict whether Marshall Islands courts would reach the same conclusions as the courts in Delaware. For example, the rights of our unitholders and the fiduciary responsibilities of our general partner under Marshall Islands law are not as clearly established as under judicial precedent in existence in Delaware. As a result, unitholders may have more difficulty in protecting their interests in the face of actions by our officers or directors than would unitholders of a similarly organized limited partnership in the United States.

Because we are organized under the laws of the Marshall Islands and our business is operated primarily from our office in Greece, it may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.

We are organized under the laws of the Marshall Islands, and all of our assets are located outside of the United States. Our business is operated primarily from our office in Greece. In addition, our general partner is a Marshall Islands limited liability company, and our directors and officers generally are or will be non-residents of the United States, and all or a substantial portion of the assets of these non-residents are located outside the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States if you believe that

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your rights have been infringed under securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Marshall Islands, Greece and of other jurisdictions may prevent or restrict you from enforcing a judgment against our assets or the assets of our general partner or our directors or officers. For more information regarding the relevant laws of the Marshall Islands, please read ''Service of Process and Enforcement of Civil Liabilities.''

Tax Risks

In addition to the following risk factors, you should read ''Business—Taxation of the Partnership,'' ''Material U.S. Federal Income Tax Considerations'' and ''Non-United States Tax Considerations'' for a more complete discussion of the expected material U.S. federal and non-U.S. income tax considerations relating to us and the ownership and disposition of common units.

U.S. tax authorities could treat us as a ''passive foreign investment company,'' which could have adverse U.S. federal income tax consequences to U.S. unitholders.

A non-U.S. entity treated as a corporation for U.S. federal income tax purposes will be treated as a ''passive foreign investment company,'' or a PFIC, for U.S. federal income tax purposes if at least 75.0% of its gross income for any taxable year consists of certain types of ''passive income,'' or at least 50.0% of the average value of the entity's assets produce or are held for the production of those types of ''passive income.'' For purposes of these tests, ''passive income'' generally includes dividends, interest, gains from the sale or exchange of investment property, and rents and royalties other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute ''passive income.'' U.S. shareholders of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

Based on our current and projected method of operation, and on opinion of counsel, we believe that we will not be a PFIC for our 2007 taxable year, and we expect that we will not become a PFIC with respect to any other taxable year. Our U.S. counsel, Vinson & Elkins L.L.P., is of the opinion that (1) the income we receive from time chartering activities and the assets we own that are engaged in generating such income should not be treated as passive income or assets, respectively, and (2) so long as our income from time charters exceeds 25.0% of our gross income from all sources for each taxable year after our initial taxable year and the fair market value of our vessels contracted under time charters exceeds 50.0% of the average fair market value of all of our assets for each taxable year after our initial taxable year, we should not be a PFIC for any taxable year. This opinion is based on representations and projections provided by us to our counsel regarding our assets, income and charters, and its validity is conditioned on the accuracy of such representations and projections. We expect that all of the vessels in our fleet will be engaged in time chartering activities and intend to treat our income from those activities as non-passive income, and the vessels engaged in those activities as non-passive assets, for PFIC purposes. However, no assurance can be given that the Internal Revenue Service, or the IRS, will accept this position. Please read ''Material U.S. Federal Income Tax Considerations—U.S. Federal Income Taxation of U.S. Holders—PFIC Status and Significant Tax Consequences.''

The preferential tax rates applicable to qualified dividend income are temporary, and the enactment of previously proposed legislation could affect whether dividends paid by us constitute qualified dividend income eligible for the preferential rate.

Certain of our distributions may be treated as qualified dividend income eligible for preferential rates of U.S. federal income tax to U.S. individual unitholders (and certain other U.S. unitholders). In the absence of legislation extending the term for these preferential tax rates, all dividends received by such U.S. taxpayers in tax years beginning on January 1, 2011, or later, will be taxed at graduated tax rates applicable to ordinary income. Please read ‘‘Material U.S. Federal Income Tax Considerations— U.S. Federal Income Taxation of U.S. Holders—Distributions.’’

In addition, legislation proposed in the U.S. Congress would, if enacted, deny the preferential rate of U.S. federal income tax currently imposed on qualified dividend income with respect to dividends

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received from a non-U.S. corporation, if the non-U.S. corporation is created or organized under the laws of a jurisdiction that does not have a comprehensive income tax system. Because the Marshall Islands imposes only limited taxes on entities organized under its laws, it is likely that, if this legislation were enacted, the preferential tax rates described under ‘‘Material U.S. Federal Income Tax Considerations—U.S. Federal Income Taxation of U.S. Holders—Distributions’’ would no longer be applicable to distributions received from us. In addition, legislation has been proposed that, if enacted, would eliminate the preferential tax rate with respect to dividends paid after December 31, 2007, thereby causing such dividends to be taxed at ordinary income rates. As of the date hereof, it is not possible to predict with any certainty whether any of this proposed legislation will be enacted.

We may have to pay tax on U.S. source income, which would reduce our earnings.

Under the Code, 50.0% of the gross shipping income of a vessel owning or chartering corporation that is attributable to transportation that either begins or ends, but that does not both begin and end, in the United States is characterized as U.S. source shipping income. U.S. source shipping income generally is subject to a 4.0% U.S. federal income tax without allowance for deduction or, if such U.S. source shipping income is effectively connected with the conduct of a trade or business in the United States, U.S. federal corporate income tax (the highest statutory rate presently is 35.0%) as well as a branch profits tax (presently imposed at a 30.0% rate on effectively connected earnings), unless that corporation qualifies for exemption from tax under Section 883 of the Code.

Based on an opinion of counsel, and certain assumptions and representations, we believe that we will qualify for this statutory tax exemption, and we will take this position for U.S. federal income tax return reporting purposes. Please read ‘‘Business—Taxation of the Partnership.’’ However, there are factual circumstances, including some that may be beyond our control, that could cause us to lose the benefit of this tax exemption after this offering. Furthermore, our board of directors could determine that it is in our best interests to take an action that would result in this tax exemption not applying to us in the future. In addition, our conclusion that we qualify for this exemption, as well as the conclusions in this regard of our counsel, Vinson & Elkins L.L.P., is based upon legal authorities that do not expressly contemplate an organizational structure such as ours; specifically, although we have elected to be treated as a corporation for U.S. federal income tax purposes, we are organized as a limited partnership under Marshall Islands law. Therefore, we can give no assurances that the IRS will not take a different position regarding our qualification for this tax exemption.

If we were not entitled to the Section 883 exemption for any taxable year, we generally would be subject to a 4% U.S. federal gross income tax with respect to our U.S. source shipping income or, if such U.S. source shipping income were effectively connected with the conduct of a trade or business in the United States, U.S. federal corporate income tax (the highest statutory rate presently is 35.0%) as well as a branch profits tax (presently imposed at a 30.0% rate on effectively connected earnings) for those years. Our failure to qualify for the Section 883 exemption could have a negative effect on our business and would result in decreased earnings available for distribution to our unitholders.

You may be subject to income tax in one or more non-U.S. countries, including Greece, as a result of owning our common units if, under the laws of any such country, we are considered to be carrying on business there. Such laws may require you to file a tax return with and pay taxes to those countries.

We intend that our affairs and the business of each of our controlled affiliates will be conducted and operated in a manner that minimizes income taxes imposed upon us and these controlled affiliates or which may be imposed upon you as a result of owning our common units. However, because we are organized as a partnership, there is a risk in some jurisdictions that our activities and the activities of our subsidiaries may be attributed to our unitholders for tax purposes and, thus, that you will be subject to tax in one or more non-U.S. countries, including Greece, as a result of owning our common units if, under the laws of any such country, we are considered to be carrying on business there. If you are subject to tax in any such country, you may be required to file a tax return with and to pay tax in that country based on your allocable share of our income. We may be required to reduce distributions to you on account of any withholding obligations imposed upon us by that country in respect of such allocation to you. The United States may not allow a tax credit for any foreign income taxes that you directly or indirectly incur.

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We believe we can conduct our activities in such a manner that our unitholders should not be considered to be carrying on business in Greece solely as a consequence of the acquisition, holding, disposition or redemption of our common units. However, the question of whether either we or any of our controlled affiliates will be treated as carrying on business in any particular country, including Greece, will be largely a question of fact to be determined based upon an analysis of contractual arrangements, including the management agreement and the administrative services agreement we will enter into with Navios ShipManagement, and the way we conduct business or operations, all of which may change over time. Furthermore, the laws of Greece or any other country may change in a manner that causes that country's taxing authorities to determine that we are carrying on business in such country and are subject to its taxation laws. Any foreign taxes imposed on us or any subsidiaries will reduce our cash available for distribution.

The portion of our distributions that will be taxed as dividend income is subject to business, economic and other uncertainties as well as tax reporting positions with which the IRS may disagree, any of which could be resolved against us, result in a higher ratio of dividend income to distributions and adversely affect the value of the common units.

We estimate that if you hold the common units that you purchase in this offering through the period ending December 31, 2009, the distributions you receive that will constitute dividends for U.S. federal income tax purposes will be approximately 56% of the total cash distributions received during that period. The remaining portion of the distributions will be treated first as a nontaxable return of capital to the extent of the purchaser's tax basis in its common units and thereafter as capital gain. These estimates are based on certain assumptions which are subject to business, economic, regulatory, competitive and political uncertainties beyond our control. In addition, these estimates are based on current U.S. federal income tax law and tax reporting positions that we will adopt and with which the IRS could disagree. As a result of these uncertainties, these estimates may be incorrect and the actual percentage of total cash distributions that will constitute dividend income could be higher, and any difference could adversely affect the value of the common units. Please read ''Material U.S. Federal Income Tax Considerations—U.S Federal Income Taxation of U.S. Holders—Ratio of Dividend Income to Distributions.''

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Forward-Looking Statements

Statements included in this prospectus which are not historical facts (including our financial forecast and any other statements concerning plans and objectives of management for future operations or economic performance, or assumptions related thereto) are forward-looking statements. In addition, we and our representatives may from time to time make other oral or written statements which are also forward-looking statements. Such statements include, in particular, statements about our plans, strategies, business prospects, changes and trends in our business, and the markets in which we operate as described in this prospectus. In some cases, you can identify the forward-looking statements by the use of words such as ‘‘may,’’ ‘‘could,’’ ‘‘should,’’ ‘‘would,’’ ‘‘expect,’’ ‘‘plan,’’ ‘‘anticipate,’’ ‘‘intend,’’ ‘‘estimate,’’ ‘‘predict,’’ ‘‘propose,’’ ‘‘potential,’’ ‘‘continue’’ or the negative of these terms or other comparable terminology.

Forward-looking statements appear in a number of places and include statements with respect to, among other things:

- forecasts of our ability to make cash distributions on the units;
- forecasts of our future financial condition or results of operations and our future revenues and expenses;
- our anticipated growth strategies;
- future charter hire rates and vessel values;
- the repayment of debt;
- our ability to access debt and equity markets;
- planned capital expenditures and availability of capital resources to fund capital expenditures;
- future supply of, and demand for, drybulk commodities;
- increases in interest rates;
- our ability to maintain long-term relationships with major commodity traders;
- our ability to leverage to our advantage Navios Maritime’s relationships and reputation in the shipping industry;
- our continued ability to enter into long-term, fixed-rate time charters;
- our ability to maximize the use of our vessels, including the re-deployment or disposition of vessels no longer under long-term time charter;
- timely purchases and deliveries of newbuilding vessels;
- future purchase prices of newbuildings and secondhand vessels;
- our ability to compete successfully for future chartering and newbuilding opportunities;
- the expected cost of, and our ability to comply with, governmental regulations, maritime self-regulatory organization standards, as well as standard regulations imposed by our charterers applicable to our business;
- our anticipated

incremental general and administrative expenses as a publicly traded limited partnership and our expenses under the management agreement and the administrative services agreement with Navios ShipManagement and for reimbursements for fees and costs of our general partner;

- the anticipated taxation of our partnership and distributions to our unitholders;
- estimated future maintenance and replacement capital expenditures;
- expected demand in the drybulk shipping sector in general and the demand for our Panamax and Capesize vessels in particular;

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- our ability to retain key executive officers;
- customers' increasing emphasis on environmental and safety concerns;
- future sales of our common units in the public market; and
- our business strategy and other plans and objectives for future operations.

These and other forward-looking statements are made based upon management's current plans, expectations, estimates, assumptions and beliefs concerning future events impacting us and therefore involve a number of risks and uncertainties, including those risks discussed in ''Risk Factors,'' including those set forth below:

- a lack of sufficient cash to pay the minimum quarterly distribution on our common units;
- the cyclical nature of the international drybulk shipping industry;
- fluctuations in charter rates for drybulk carriers;
- the historically high numbers of newbuildings currently under construction in the drybulk industry;
- changes in the market values of our vessels and the vessels for which we have purchase options;
- an inability to expand relationships with existing customers and obtain new customers;
- the loss of any customer or charter or vessel;
- the aging of our fleet and resultant increases in operations costs;
- damage to our vessels; and
- general domestic and international political conditions, including wars and terrorism.

The risks, uncertainties and assumptions involve known and unknown risks and are inherently subject to significant uncertainties and contingencies, many of which are beyond our control. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements.

We undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, we cannot assess the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement.

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Use of Proceeds

The proceeds from this offering are expected to be used primarily to fund a portion of the purchase price of the capital stock in the subsidiaries of Navios Maritime that own or have rights to vessels in our initial fleet.

The purchase price of the capital stock of the subsidiaries that own or have rights to the eight vessels in our initial fleet will be dependent on the initial public offering price of our common units and will be equal to:

- all of the net proceeds from our sale of an aggregate of 10,500,000 common units in this offering and the offering to a corporation owned by Ms. Frangou (estimated at $193.6 million, assuming (i) an initial public offering price of $20.00 per common unit and (ii) underwriting discount, structuring fee and other offering expenses of $16.4 million), plus
- $160.0 million of the $165.0 million of borrowings under our new revolving credit facility, plus
- 7,621,843 subordinated units to be issued to Navios Maritime, plus
- the 2.0% general partner interest and all of our incentive distribution rights to be issued to our general partner.

Assuming an initial public offering price of $20.00 per common unit and that the fair market value of each subordinated unit and general partner unit is $20.00, the total dollar value of the consideration to be paid to Navios Maritime for the capital stock of the subsidiaries that own or have rights to the vessels in our initial fleet is approximately $513.4 million. If the initial public offering price of our common units goes up or down by $1.00, the consideration for the vessels will change by $17.8 million.

The initial public offering price of our common units, as well as the total consideration to be paid to Navios Maritime for the capital stock of the subsidiaries that own or have rights to the eight vessels in our initial fleet will be determined through negotiations among us and the representatives of the underwriters. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price as well as the total consideration for the capital stock of the subsidiaries that own the vessels in our initial fleet are:

- the valuation multiples of publicly traded companies that the representatives believe to be comparable to us,
- our financial information,
- the history of, and the prospects for, our partnership and the industry in which we compete,
- as assessment of our management, its past and present operations, and the prospects for, and timing of, our future revenues, and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

Please read ‘‘Underwriting.’’

We will use the net proceeds of any exercise of the underwriters’ overallotment option to redeem a number of subordinated units from Navios Maritime equal to the number of units for which the underwriters exercise their overallotment option.

Navios Maritime will use the proceeds it receives from us for general corporate purposes.

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Capitalization

The following table shows:

- our historical capitalization as of June 30, 2007; and
- our capitalization as of June 30, 2007, on a pro forma as adjusted basis to reflect the transactions described under ‘‘Summary—The Transactions’’ assuming no exercise of the underwriters’ overallotment option.

This table is derived from and should be read together with the historical combined financial statements and the accompanying notes and the unaudited pro forma financial statements and accompanying notes contained elsewhere in this prospectus. You should also read this table in conjunction with ‘‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’’ and ‘‘Use of Proceeds.’’

As of June 30, 2007	Actual	Pro Forma, As Adjusted
	(In thousands of U.S. Dollars)	
Debt(1):		
Current portion of long-term debt	$ 3,055	$ —
Long-term debt:		
Borrowings under credit facility	73,939	165,000 (2)
Total debt	$ 76,994	$ 165,000
Equity:		
Owner’s net investment	$ 114,213	$ —
Held by public:		
Common units	—	183,600
Held by general partner and its affiliates:		
Common units		10,000 (3)
General partner interest	—	(7,657)
Subordinated units	—	(157,795)
Total partners’ equity		$ 28,148
Total capitalization	$ 191,207	$ 193,148

(1) All debt is guaranteed by our subsidiaries and secured by mortgages covering our vessels. (2) $160.0 million of this amount will be used to pay a portion of the cash purchase price for the capital stock of the subsidiaries to be acquired by us from Navios Maritime. $1.3 million of this amount will be used to pay estimated financing fees and $3.7 million of this amount will be retained by our partnership for working capital. (3) Reflects the purchase of 500,000 common units by a corporation owned by our Chairman and Chief Executive Officer in the concurrent offering.

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Dilution

Dilution is the amount by which the offering price will exceed the net tangible book value per common unit after this offering. Assuming an initial public offering price of $20.00 per common unit, on a pro forma basis as of June 30, 2007, after giving effect to this offering of common units, the concurrent offering to a corporation owned by Ms. Frangou, the application of the net proceeds in the manner described under ''Use of Proceeds'' and the formation and contribution transactions related to this offering, our net tangible book value would have been $(24.0) million, or $(1.30) per common unit. Purchasers of common units in this offering will experience substantial and immediate dilution in net tangible book value per common unit for financial accounting purposes, as illustrated in the following table.

Assumed initial public offering price per common unit		$ 20.00
Pro forma net tangible book value per common unit before this offering and the concurrent offering to a corporation owned by Ms. Frangou(1)	7.79	
Decrease in net tangible book value per common unit attributable to new investors in this offering	(9.09)	
Less: Pro forma net tangible book value per common unit after this offering and the concurrent offering to a corporation owned by Ms. Frangou(2)		(1.30)
Immediate dilution in net tangible book value per common unit to new investors in this offering		$ 21.30

(1) Determined by dividing the total number of units (7,621,843 subordinated units and the 2.0% general partner interest represented by 369,834 general partner units) to be issued to our general partner and its affiliates for their sale and contribution of assets and liabilities to us into the net tangible book value of the contributed assets and liabilities.

(2) Determined by dividing the total number of units (10,500,000 common units, 7,621,843 subordinated units and the 2.0% general partner interest represented by 369,834 general partner units) to be outstanding after this offering into our pro forma net tangible book value, after giving effect to the application of the net proceeds of this offering and the concurrent offering to a corporation owned by Ms. Frangou.

The following table sets forth the number of units that we will issue and the total consideration contributed to us by our general partner and its affiliates and by the purchasers of common units in this offering and the concurrent offering to a corporation owned by Ms. Frangou upon consummation of the transactions contemplated by this prospectus.

	Units Acquired		Total Consideration	
	Number	Percent	Amount	Percent
General partner and its affiliates(1)(2)	7,991,677	43.2 %	$ (165,452,000)	(371.4)%
New investors(3)	10,500,000	56.8	210,000,000	471.4 %
Total	18,491,677	100.0 %	$ 44,548,000	100.0 %

(1) Upon the consummation of the transactions contemplated by this prospectus, our general partner and its affiliates, including Navios Maritime, will own an aggregate of 7,621,843 subordinated units and the 2.0% general partner interest represented by 369,834 general partner units. We will use the net proceeds of any exercise of the underwriters' overallotment option to redeem a number of subordinated units from Navios Maritime equal to the number of units for which the underwriters exercise their overallotment option. If the underwriters exercise their overallotment option in full, our general partner and its affiliates, including Navios Maritime, will own an aggregate of 6,121,843

subordinated units and the 2.0% general partner interest represented by 369,834 general partner units, and new investors will own 12,000,000 common units.

Table of Contents (2) The assets contributed by our general partner and its affiliates were recorded at historical book value, rather than fair value, in accordance with GAAP. Book value of the consideration provided by our general partner and its affiliates, as of June 30, 2007, after giving effect to the application of the net proceeds of the offering, the concurrent offering and the related transactions, is as follows:

	(In thousands)
Book value of net assets contributed	$ 188,148
Less:	
Distribution to Navios Maritime from the net proceeds of the offering	(183,600)
Distribution to Navios Maritime from the net proceeds of the concurrent offering	(10,000)
Distribution to Navios Maritime from borrowings under the credit facility	(160,000)