Navios Maritime Partners L.P.
Form 6-K
October 30, 2009

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 6-K
REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13A-16 OR 15D-16 OF THE
SECURITIES EXCHANGE ACT OF 1934
DATED: October 29, 2009
Commission File No. 001-33811
NAVIOS MARITIME PARTNERS L.P.
85 AKTI MIAOULI STREET, PIRAEUS, GREECE 185 38
(Address of Principal Executive Offices)

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

Form 20-F þ   Form 40-F o

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

Yes o   No þ

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

Yes o   No þ

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

Yes o   No þ

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

N/A

NAVIOS MARITIME PARTNERS L.P.
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The information contained in this Report is hereby incorporated by reference into the Registration Statement on Form F-3, File No. 333-157000.

Operating and Financial Review and Prospects

The following is a discussion of the financial condition and results of operations for the three and nine month periods ended September 30, 2009 and 2008 of Navios Maritime Partners L.P. (referred to herein as we , us or Navios Partners). All of these financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (US GAAP). You should read this section together with the consolidated financial statements and the accompanying notes included in Navios Partners 2008 Annual Report filed on Form 20-F with the Securities and Exchange Commission.

This report contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward looking statements are based on Navios Partners current expectations and observations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to changes in the demand for dry bulk vessels, fluctuation of charter rates, competitive factors in the market in which Navios Partners operates; risks associated with operations outside the United States; and other factors listed from time to time in the Navios Partners filings with the Securities and Exchange Commission.

Recent Developments

Equity raising

On September 23, 2009, Navios Partners completed its public offering of 2,800,000 common units at $12.21 per unit and raised gross proceeds of approximately $34.2 million to fund its fleet expansion. The net proceeds of this offering, including discount and excluding offering costs of $0.3 million, were approximately $32.5 million. Pursuant to this offering, Navios Partners issued 57,143 additional general partnership units to the General Partner. The net proceeds from the issuance of the general partnership units were $0.7 million.

On October 15, 2009, Navios Partners completed the exercise of the overallotment option previously granted to the underwriters in connection with the offering of 2,800,000 common units and purchased 360,400 additional common units at the public offering price less the underwriting discount. Navios Partners raised gross proceeds of $4.4 million and net proceeds of approximately $4.2 million. Navios Partners issued 7,355 additional general partnership units to the General Partner. The net proceeds from the issuance of the general partnership units were $0.1 million.

As a result of the above transactions, Navios Partners raised a gross amount of $39.4 million and a net amount of $37.2 million.

As of today, there are outstanding: 20,291,815 common units, 7,621,843 subordinated units, 1,000,000 subordinated Series A units and 590,075 general partnership units. Navios Holdings owns a 41.8% interest in Navios Partners, including the 2% general partner interest.

Vessel acquisition

In October 2009, Navios Partners agreed to purchase from Navios Holdings the vessel Navios Apollon, a 52,073 dwt Ultra-Handymax vessel built in 2000, for a purchase price of $32.0 million. The vessel was delivered in Navios Partners fleet on October 29, 2009. The acquisition was financed with the proceeds from the recent public offering described above.

Amendment of management agreement

In October 2009, Navios Partners fixed the rate for ship management services of its owned fleet for an additional period of two years under the existing agreement with Navios ShipManagement Inc. (the Manager), a subsidiary of Navios Maritime Holdings Inc. (Navios Holdings). The new management fees are: (a) $4,500 daily rate per Ultra-Handymax vessel; (b) $4,400 daily rate per Panamax vessel and (c) $5,500 daily rate per Capesize vessel for the two-year period ending November 16, 2011.

Overview

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General

Navios Partners is an international owner and operator of dry bulk vessels, formed in August 2007 by Navios Holdings, a vertically integrated seaborne shipping and logistics company with over 55 years of operating history in the dry bulk shipping industry. Navios Partners completed its initial public offering (IPO) of 10,000,000 common units and the concurrent sale of 500,000 common units to a corporation owned by Angeliki Frangou, Navios Partners Chairman and Chief Executive Officer, on November 16, 2007. Navios Partners used the proceeds of these sales of approximately $193.3 million, plus $160.0 million funded from its Revolving Credit Facility as subsequently amended (the Credit Facility) to acquire its initial fleet of vessels. After the delivery of Navios Apollon on October 29, 2009, four vessels have been acquired since the IPO and the fleet currently consists of nine modern Panamax vessels, one modern Capesize vessel and one Ultra-Handymax vessel.

On November 15, 2007, Navios Partners entered into the Credit Facility agreement with Commerzbank AG and DVB Bank AG maturing on November 15, 2017. This Credit Facility provided Navios Partners with financing availability of up to $260.0 million, of which $165.0 million was drawn on November 16, 2007. Of the total drawn down amount, $160.0 million was paid to Navios Holdings as part of the purchase price of the capital stock of Navios Holdings subsidiaries that owned or had rights to the eight vessels of Navios Partners fleet. The remaining $5.0 million balance of the drawn amount was used for working capital purposes. On May 2, 2008, Navios Partners borrowed $35.0 million to finance the acquisition of the vessel the Navios Fantastiks and on July 1, 2008, borrowed an additional $35.0 million to finance the acquisition of the vessel the Navios Hope. On June 25, 2008, Navios Partners Credit Facility was amended, in part, to increase the available borrowings by $35.0 million, in anticipation of purchasing the Navios Hope, thereby increasing the total facility to $295.0 million.

On July 1, 2008, 3,131,415 common units were issued to Navios Holdings for the acquisition of Navios Hope, and 63,906 additional general partnership units were issued to Navios Partners general partner.

In January 2009, Navios Partners further amended the terms of its Credit Facility. The amendment is effective until January 15, 2010 and provides for (a) the repayment of $40.0 million which took place on February 9, 2009, (b) maintaining minimum cash reserves in a pledged account with the agent bank as follows: $2.5 million as of January 31, 2009; $5.0 million as of March 31, 2009; $7.5 million as of June 30, 2009; $10.0 million as of September 30, 2009; and $12.5 million as of December 31, 2009 and (c) an increased margin on the loans of 2.25%. Further, the covenants were amended by (a) reducing the minimum net worth covenant to $100.0 million from $135.0 million, (b) reducing the value maintenance covenant (VMC) to 100% using charter free vessel values, (c) changing the calculation of the minimum leverage covenant to use charter inclusive adjusted vessel values until December 31, 2009, and (d) adding a new VMC based on charter inclusive valuations to be at 143%. Also, Navios Partners pays a commitment fee of 0.35% for undrawn amounts under the facility. As of September 30, 2009, Navios Partners was in compliance with the financial covenants under the facility.

In January 2009, Navios Partners and its counterparty to the Navios Hope charter party mutually agreed for a lump sum amount of approximately $30.4 million, of which Navios Partners received, net of expenses, $29.6 million in February 2009. Under a new charter agreement, the balance of the aggregate value of the original contract will be allocated to the period until its original expiration. The amount of $30.4 million has been recognized as deferred revenue and amortized over the life of the vessel s contract.

On April 2, 2009, Navios Partners announced that it would not be exercising its option to acquire Navios TBN II, a new building capesize vessel, from Navios Holdings for $135.0 million. This decision was reached in light of the unfavorable conditions in the capital markets. There are no fees or costs payable in connection with the decision not to exercise the option, which expired on April 1, 2009.

On May 8, 2009, Navios Partners completed its public offering of 3,500,000 common units at $10.32 per unit and raised gross proceeds of approximately $36.1 million to fund its fleet expansion. The net proceeds of this offering, including discount and excluding offering costs of $0.5 million, were approximately $34.3 million. Pursuant to this offering, Navios Partners issued 71,429 additional general partnership units to its general partner. The net proceeds from the issuance of the general partnership units were $0.7 million. The net proceeds of this offering were used to acquire the rights to the Navios Sagittarius, a 2006 Japanese-built Panamax vessel with a capacity of 75,756 dwt, for a cash payment of $34.6 million including a long-term charter-out agreement through November 2018. The Navios

Sagittarius is a chartered-in vessel, and Navios Partners has an option to purchase the vessel, beginning December 2009, at a purchase price that is initially 2.5 billion Japanese Yen ($27.8 million based on the exchange rate at September 30, 2009), declining each year by 120.0 million Japanese Yen ($1.3 million based on the exchange rate at September 30, 2009).

On June 9, 2009, Navios Holdings relieved Navios Partners from its obligation to purchase the Capesize vessel Navios Bonavis for $130.0 million and, upon the delivery of the Navios Bonavis to Navios Holdings, Navios Partners was granted a 12-month option to purchase the vessel for $125.0 million. In return, Navios Partners issued 1,000,000 subordinated Series A units recognizing a non-cash compensation expense amounting to $6.1 million. The newly issued units are not eligible to receive

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distributions until the third anniversary of their issuance, at which point they will automatically convert into common units and receive distributions in accordance with all other common units. Pursuant to the issuance of 1,000,000 units, Navios Partners issued 20,408 additional general partnership units to its general partner. The net proceeds from the issuance of the general partnership units were $0.2 million. In addition, Navios Holdings was released from the Omnibus Agreement restrictions for two years in connection with acquiring vessels from third parties (but not from the requirement to offer to sell to Navios Partners qualifying vessels in Navios Holdings existing fleet).

As of September 30, 2009, there were outstanding: 19,931,415 common units, 7,621,843 subordinated units, 1,000,000 subordinated Series A units and 582,720 general partnership units.

Fleet

Our fleet consists of nine modern active Panamax vessels, one modern Capesize vessel and one Ultra-Handymax vessel.

All of our current vessels operate under long-term time charters of three or more years at inception with counterparties that we believe are creditworthy. Under certain circumstances, we may operate vessels in the spot market until the vessels have been fixed under appropriate long-term charters.

The following table provides summary information about our fleet:

Owned Vessels	Type	Built	Capacity (DWT)	Original Charter Expiration Date/ New Charter Expiration Date (1)	Original Charter Out Rate/ New Charter Out Rate per day (2)
Navios Gemini S	Panamax	1994	68,636	February 2014	$ 24,225
Navios Libra II	Panamax	1995	70,136	December 2010	$ 23,513
Navios Felicity	Panamax	1997	73,867	June 2013	$ 26,169
Navios Galaxy I	Panamax	2001	74,195	February 2018	$ 21,937
Navios Alegria	Panamax	2004	76,466	December 2010	$ 23,750
Navios Fantastiks	Capesize	2005	180,265	March 2011	$ 32,279
				February 2014	$ 36,290
Navios Hope (3)	Panamax	2005	75,397	May 2010	$ 10,643
				September 2013	$ 16,841
Navios Apollon	Ultra Handymax	2000	52,073	November 2012	$ 23,700
Long-term Chartered-in Vessels					
Navios Prosperity (4)	Panamax	2007	82,535	July 2012	$ 24,000

Navios Aldebaran (5)	Panamax	2008	76,500	March 2013	$ 28,391
Navios Sagittarius (6)	Panamax	2006	75,756	November 2018	$ 26,125

(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) Navios Partners received a lump sum charter payment of approximately $29.6 million for Navios Hope in the first quarter of 2009. This charter payment was net of expenses and represents an acceleration of a significant portion of the $56.2 million nominal charter

amount. Navios Partners will receive the entire amount of the original charter through the lump sum payment and the new charter payments for the remainder of the term of the original charter (ending in 2013). The rate for the period from April, 1 2009 to August 2013 is as presented in the table above. On February 9, 2009, the Navios Aurora I was renamed the Navios Hope.

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(4) The Navios Prosperity is chartered-in for seven years starting from June 19, 2008 and we 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 ($42.2 million based upon the exchange rate at September 30, 2009), declining each year by 145 million Yen ($1.6 million based upon the exchange rate at September 30, 2009).

(5) The Navios Aldebaran was delivered on March 17, 2008. Navios Aldebaran is chartered-in for seven years and we have options to extend for two one-year periods. We have the option to purchase the vessel after March 2013 at a purchase price that is initially 3.6 billion Yen

($40.0 million based upon the exchange rate at September 30, 2009) declining each year by 150 million Yen ($1.7 million based upon the exchange rate at September 30, 2009).

(6) On June 10, 2009, Navios Partners purchased from Navios Holdings all of the rights to the Navios Sagittarius, a 2006 Japanese-built Panamax vessel with a capacity of 75,756 dwt, for a cash payment of $34.6 million. The Navios Sagittarius is a chartered-in vessel, and Navios Partners has an option to purchase the vessel, beginning December 2009, at a purchase price that is initially 2.5 billion Japanese Yen ($27.8 million based on the exchange rate at September 30, 2009), declining each year by 120.0 million Japanese Yen

($1.3 million based on the exchange rate at September 30, 2009).

Our Charters

We generate revenues by charging our customers for the use of our vessels to transport their dry bulk commodities. All of the vessels in our fleet are chartered-out under time charters, which range in length from three to ten years. We may in the future operate vessels in the spot market until the vessels have been chartered under appropriate long-term charters.

For the nine month period ended September 30, 2009, Mitsui O.S.K. Lines Ltd, Cargill International S.A., Sanko Steamship Co., and Daiichi Chuo Kisen Kaisha accounted for approximately 33.5%, 19.5%, 13.5% and 9.9%, respectively, of total revenues. For the year ended December 31, 2008, we had seven charter counterparties, including Mitsui O.S.K. Lines Ltd, Cargill International S.A., Sanko Steamship Co., Daiichi Chuo Kisen Kaisha and Augustea Imprese Maritime which accounted for approximately 28.2%, 22.2%, 15.6%, 11.9% and 9.7%, respectively, of total revenues. We believe that the combination of the long-term nature of our charters (which provide for the receipt of a fixed fee for the life of the charter) and our management agreement with The Manager (which provides for a fixed management fee through November 16, 2011) will provide us with a strong base of stable cash flows.

Our revenues are driven by the number of vessels in the fleet, the number of days during which the vessels operate and our charter hire rates, which, in turn, are affected by a number of factors, including:

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

Time charters are available for varying periods, ranging from a single trip (spot charter) to long-term which may be many years. In general, a long-term time charter assures the vessel owner of a consistent stream of revenue. Operating the vessel in the spot market affords the owner greater spot market opportunity, which may result in high rates when vessels are in high demand or low rates when vessel availability exceeds demand. We intend to operate our vessels in the long-term charter market. Please read Risk Factors in our 2008 Annual Report on Form 20-F for a discussion of certain risks inherent in our business.

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Trends and Factors Affecting Our Future Results of Operations

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

Results of Operations

Overview

The financial condition and the results of operations presented for the nine month periods ended September 30, 2008 and 2009 of Navios Partners discussed below include the following entities and chartered-in vessels:

Company name	Vessel name	Country of incorporation	Statement of income 2008		Statement of income 2009	
Libra Shipping Enterprises Corporation	Navios Libra II	Marshall Is.	1/1	9/30	1/1	9/30
Alegria Shipping Corporation	Navios Alegria	Marshall Is.	1/1	9/30	1/1	9/30
Felicity Shipping Corporation	Navios Felicity	Marshall Is.	1/1	9/30	1/1	9/30
Gemini Shipping Corporation	Navios Gemini S	Marshall Is.	1/1	9/30	1/1	9/30
Galaxy Shipping Corporation	Navios Galaxy I	Marshall Is	1/1	9/30	1/1	9/30
Fantastiks Shipping Corporation (1)	Navios Fantastiks	Marshall Is.	1/1	9/30	1/1	9/30
Aurora Shipping Enterprises Ltd.	Navios Hope (2)	Marshall Is.	7/1	9/30	1/1	9/30
Chartered-in vessel						
Prosperity Shipping Corporation (3)	Navios Prosperity	Marshall Is.	1/1	9/30	1/1	9/30
Chartered-in vessel						
Aldebaran Shipping Corporation (3)	Navios Aldebaran	Marshall Is.	3/17	9/30	1/1	9/30
Chartered-in vessel						
Sagittarius Shipping Corporation (3)	Navios Sagittarius	Marshall Is.			6/10	9/30

Navios Maritime Partners L.P	N/A	Marshall Is.	1/1	9/30	1/1	9/30
Navios Maritime Operating LLC	N/A	Marshall Is.	1/1	9/30	1/1	9/30

(1) Fantastiks Shipping Corporation took ownership of the vessel Fantastiks from chartered-in vessel, which was renamed the Navios Fantastiks on May 2, 2008.

(2) On February 9, 2009, the Navios Aurora I was renamed the Navios Hope.

(3) Not a vessel-owning subsidiary and only holds right to charter-in contract.

The accompanying interim condensed consolidated financial statements of Navios Partners are unaudited, but, in the opinion of management, contain all adjustments necessary to present fairly, in all material respects, Navios Partners condensed consolidated financial position as of September 30, 2009 and the condensed consolidated results of operations for the three and nine months ended September 30, 2009 and 2008. The footnotes are condensed as permitted by the requirements for interim financial statements and accordingly, do not include information and disclosures required under U.S. GAAP for complete financial statements. All such adjustments are deemed to be of a normal, recurring nature. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year. These financial statements should be read in conjunction with the consolidated financial statements and related notes included in Navios Partners Annual Report on Form 20-F for the year ended December 31, 2008.

FINANCIAL HIGHLIGHTS

The following table presents consolidated revenue and expense information for the three and nine month periods ended September 30, 2009 and 2008.

	(unaudited) Three Month Period ended September 30, 2009 ($ 000)	(unaudited) Three Month Period ended September 30, 2008 ($ 000)	(unaudited) Nine Month Period ended September 30, 2009 ($ 000)	(unaudited) Nine Month Period ended September 30, 2008 ($ 000)
Time charter and voyage revenues	$ 23,717	$ 21,272	$ 67,028	$ 53,531
Time charter and voyage expenses	(3,729)	(2,797)	(10,088)	(8,801)
Direct vessel expenses	(117)	(144)	(365)	(433)
Management fees	(2,668)	(2,668)	(7,917)	(6,607)
General and administrative expenses	(542)	(1,217)	(2,341)	(2,220)
Depreciation and amortization	(4,195)	(3,277)	(10,973)	(8,588)
Interest expense and finance cost, net	(1,698)	(2,287)	(6,045)	(7,099)
Interest income	25	75	114	166
Compensation expense			(6,082)	
Other income	79		92	23
Other expense	(83)	(9)	(83)	(23)
Net income	$ 10,789	$ 8,948	$ 23,340	19,949
Adjusted EBITDA	$ 16,774	$ 14,581	$ 46,691	$ 35,903
Operating Surplus	$ 13,124	$ 9,614	$ 35,106	$ 22,679

Period over Period Comparisons

For the Three Month Period ended September 30, 2009 compared to Three Month Period ended September 30, 2008

Time charter and voyage revenues: Time charter and voyage revenues for the three month period ended September 30, 2009 increased by $2.4 million or 11.3% to $23.7 million as compared to $21.3 million for the same period in 2008. The increase was mainly attributable to the acquisition of the rights to the Navios Sagittarius on June 10, 2009.

Time charter and voyage expenses: Time charter and voyage expenses increased by $0.9 million or 32.1% to $3.7 for the three month period ended September 30, 2009 as compared to $2.8 million for same period in 2008. The increase was mainly attributable to the acquisition of the rights to the Navios Sagittarius on June 10, 2009.

Direct vessel expenses: Direct vessel expenses, comprised of the amortization of dry dock and special survey costs, decreased by $0.02 million or 14.3% to $0.12 million for the three month period ended September 30, 2009 as compared to $0.14 million for the same period in 2008 due to the full amortization of dry dock and special survey costs for one of the owned vessels.

Management fees: Management fees for the three month period ended September 30, 2009, and September 30, 2008 were $2.7 million. Starting on November 16, 2007, in connection with the management agreement entered into by Navios Partners, the Manager provides all of Navios Partners owned vessels with commercial and technical management services for a daily fee of $4,000 per owned Panamax vessel and $5,000 per owned Capesize vessel until November 16, 2009.

General and administrative expenses: General and administrative expenses decreased by $0.7 million to $0.5 million or 58.3% for the three month period ended September 30, 2009, as compared to $1.2 million for the same period of 2008. The decrease is mainly attributable to the professional and legal fees incurred by Navios Partners in connection with various activities during the three month period ended September 30, 2008.

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Pursuant to the Administrative Services Agreement, the Manager provides administrative services and is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. For the three month periods ended September 30, 2009 and 2008, the expenses charged by the Manager for administrative fees were $0.3 million and $0.3 million, respectively. The remaining balances of $0.2 million and 0.9 million of general and administrative expenses for the three month periods ended September 30, 2009 and 2008, respectively, relate to legal and professional fees, as well as audit fees.

Depreciation and amortization: Depreciation and amortization amounted to $4.2 million for the three month period ended September 30, 2009 compared to $3.3 million for the three month period ended September 30, 2008. The main reason was the increase in amortization expense of $0.9 million due to the acquisition all of the rights to the Navios Sagittarius on June 10, 2009. Depreciation of vessels is calculated using an estimated useful life of 25 years from the date the vessel was originally delivered from the shipyard. Intangible assets are amortized over the contract periods which range from four to ten years.

Interest expense and finance cost, net: Interest expense and finance cost, net for the three month period ended September 30, 2009 decreased to $1.7 million as compared to $2.3 million in the same period of 2008. The decrease is due to the lower weighted average interest rate of 3.28% for the three month period ended September 30, 2009 compared to 3.62% for the same period in 2008, and the decrease in average outstanding loan balance to $195.0 million in the three months ended September 30, 2009 from $234.6 million in the three months ended September 30, 2008. As of September 30, 2009, and 2008 the outstanding loan balance under Navios Partners Credit Facility was $195.0 million and $235.0 million, respectively.

Interest income: Interest income decreased by $0.05 million to $0.03 million for the three month period ended September 30, 2009 as compared to $0.08 million for the same period of 2008.

Other income and expenses, net: Other expenses, net decreased by $0.05 million for the three month period ended September 30, 2009 as compared to the respective period of 2008.

Net income: Net income for the three months ended September 30, 2009 amounted to $10.8 million compared to $8.9 million for the three months ended September 30, 2008. The increase in net income of $1.9 million is due to the factors discussed above.

Operating Surplus: Navios Partners generated an Operating Surplus for the three month period ended September 30, 2009 of $13.1 million compared to $9.6 million for the three month period ended September 30, 2008. Operating Surplus is a non-GAAP financial measure used by certain investors to measure the financial performance of Navios Partners and other master limited partnerships (See Reconciliation of Adjusted EBITDA to Net Cash from Operating Activities, Operating Surplus and Available Cash for Distribution contained herein).

Seasonality: Since Navios Partners vessels operate under long-term charters, the results of operations are not generally subject to the effect of seasonable variations in demand.

For the Nine Month Period ended September 30, 2009 compared to Nine Month Period ended September 30, 2008

Time charter and voyage revenues: Time charter and voyage revenues for the nine month period ended September 30, 2009 increased by $13.5 million or 25.2% to $67.0 million as compared to $53.5 million for the same period in 2008. The increase was mainly attributable to the delivery of the Navios Aldebaran on March 17, 2008, the acquisition of the Navios Hope on July 1, 2008, both of which were fully operating during the nine month period ended September 30, 2009 and the acquisition of the rights to the Navios Sagittarius on June 10, 2009.

Time charter and voyage expenses: Time charter and voyage expenses increased by $1.3 million or 14.8% to $10.1 million for the nine month period ended September 30, 2009 as compared to $8.8 million for same period in 2008. The increase was mainly attributable to the delivery of the chartered-in vessel Navios Aldebaran on March 17, 2008, which was fully operating during the nine month period ended September 30, 2009 and the acquisition of the rights to the Navios Sagittarius on June 10, 2009. This increase was mitigated by the acquisition of the Navios Fantastiks from Navios Holdings into the owned fleet, from chartered-in vessel on May 2, 2008

Direct vessel expenses: Direct vessel expenses, comprised of the amortization of dry dock and special survey costs, decreased by $0.06 million or 14.0% to $0.37 million for the nine month period ended September 30, 2009 as compared to $0.43 million for the same period in 2008 due to the full amortization of dry dock and special survey costs for two of the owned vessels.

Management fees: Management fees increased by $1.3 million to $7.9 million or 19.7% for the nine month period ended September 30, 2009, as compared to $6.6 million for the same period in 2008. The increase is mainly attributable to the acquisition of Navios Fantastiks from Navios Holdings into the owned fleet, from chartered-in vessel on May 2, 2008 and to the acquisition of the

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Navios Hope from Navios Holdings on July 1, 2008. Starting on November 16, 2007, in connection with the management agreement entered into by Navios Partners, the Manager provides all of Navios Partners owned vessels with commercial and technical management services for a daily fee of $4,000 per owned Panamax vessel and $5,000 per owned Capesize vessel until November 16, 2009.

General and administrative expenses: General and administrative expenses increased slightly by $0.1 million to $2.3 million or 4.5% for the nine month period ended September 30, 2009, as compared to $2.2 million for the same period of 2008. The increase is mainly attributable to an increase in general and administrative fees charged by Navios Holdings by $0.5 million mitigated by a decrease in professional and legal fees by $0.4 million.

Pursuant to the Administrative Services Agreement, the Manager provides administrative services and is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. For the nine month periods ended September 30, 2009 and 2008, the expenses charged by the Manager for administrative fees were $1.3 million and $0.8 million, respectively. The remaining balances of $1.0 million and $1.4 million of general and administrative expenses for the nine month periods ended September 30, 2009 and 2008, respectively, relate to legal and professional fees, as well as audit fees.

Depreciation and amortization: Depreciation and amortization amounted to $11.0 million for the nine month period ended September 30, 2009 compared to $8.6 million for the nine month period ended September 30, 2008. The main reason for this increase of $2.4 million was the increase in depreciation expense of $3.0 million due to the acquisitions of Navios Fantastiks on May 2, 2008 (which until then was part of the chartered-in fleet of Navios Partners) and Navios Hope on July 1, 2008. This increase was mitigated by the decrease in amortization expense of $0.6 million related to favorable lease recognized on the acquisition of Navios Fantastiks as an owned vessel, which was fully amortized within 2008 and the acquisition of the rights to the Navios Sagittarius on June 10, 2009. Depreciation of vessels is calculated using an estimated useful life of 25 years from the date the vessel was originally delivered from the shipyard. Intangible assets are amortized over the contract periods which range from four to ten years.

Interest expense and finance cost, net: Interest expense and finance cost, net for the nine month period ended September 30, 2009 decreased by $1.1 million or 15.5% to $6.0 million as compared to $7.1 million in the same period of 2008. The decrease is due to the lower weighted average interest rate which was 3.75% for the nine month period ended September 30, 2009 compared to 4.51% for the same period in 2008. This decrease was mitigated by an increase in average outstanding loan balance to $202.0 million in the nine months ended September 30, 2009 from $196.2 million in the nine months ended September 30, 2008. As of September 30, 2009, and 2008 the outstanding loan balance under Navios Partners Credit Facility was $195.0 million and $235.0 million, respectively.

Interest income: Interest income was $0.11 million for the nine month period ended September 30, 2009 and $0.17 for the respective period of 2008.

Compensation expense: On June 9, 2009, Navios Holdings relieved Navios Partners from its obligation to purchase the Capesize vessel Navios Bonavis for $130.0 million and, with the delivery of the Navios Bonavis to Navios Holdings, Navios Partners was granted a 12-month option to purchase the vessel for $125.0 million. In return, Navios Partners issued 1,000,000 subordinated Series A units to Navios Holdings and recognized a non-cash compensation expense of $6.1 million.

Net income: Net income for the nine months ended September 30, 2009 amounted to $23.3 million compared to $19.9 million for the nine months ended September 30, 2008. The increase in net income of $3.4 million is due to the factors discussed above.

Operating Surplus: Navios Partners generated an Operating Surplus for the nine month period ended September 30, 2009 of $35.1 million in comparison to $22.7 million for the nine month period ended September 30, 2008. Operating Surplus is a non-GAAP financial measure used by certain investors to measure the financial performance of Navios Partners and other master limited partnerships (See Reconciliation of Adjusted EBITDA to Net Cash from Operating Activities, Operating Surplus and Available Cash for Distribution contained herein).

Seasonality: Because Navios Partners vessels operate under long-term charters, the results of operations are not generally subject to the effect of seasonable variations in demand.

Liquidity and Capital Resources

Credit Facility

Upon the closing of the IPO, Navios Partners entered into a $260.0 million Credit Facility with DVB Bank AG and Commerzbank AG which was amended in June 2008, in part, to increase the available borrowings by $35.0 million, in anticipation of purchasing Navios Hope, thereby increasing the total facility to $295.0 million. Currently, Navios Partners total borrowings under its Credit Facility are $195.0 million. The availability of the remaining $60.0 million under the Credit Facility has been terminated.

In January 2009, Navios Partners further amended the terms of its existing Credit Facility. The amendment is effective until January 15, 2010 and provides for (a) the repayment of $40.0 million which took place on February 9, 2009, (b) maintaining minimum cash reserves in a pledged account with the agent bank as follows: $2.5 million as of January 31, 2009; $5.0 million as of March 31, 2009; $7.5 million as of June 30, 2009, $10.0 million as of September 30, 2009; and $12.5 million as of December 31, 2009 and (c) an increased margin on the loans of 2.25%. Further, the covenants were amended by (a) reducing the minimum net worth covenant to $100.0 million from $135.0 million, (b) reducing the value maintenance covenant (VMC) to 100% using charter free vessel values, (c) changing the calculation of the minimum leverage covenant to use charter inclusive adjusted vessel values until December 31, 2009, and (d) adding a new VMC based on charter inclusive valuations to be at 143%. Also, Navios Partners paid a commitment fee of 0.35% for undrawn amounts under the facility until June 2009 when the availability of the undrawn $60.0 million was terminated.

As of September 30, 2009, Navios Partners was in compliance with the financial covenants of its Credit Facility. The repayment of the Credit Facility starts no earlier than February 2012 and is subject to changes in repayment amounts and dates depending on various factors such as the future borrowings under the Credit Facility.

Liquidity and Capital Resources

The following table presents cash flow information derived from the unaudited condensed consolidated statements of cash flows of Navios Partners for the nine month periods ended September 30, 2009 and 2008.

	Nine Month Period Ended September 30, 2009 ($ 000) (Unaudited)	Nine Month Period Ended September 30, 2008 ($ 000) (Unaudited)
Net cash provided by operating activities	$ 69,599	$ 30,271
Net cash used in investing activities	(34,600)	(69,505)
Net cash (used in)/provided by financing activities	(9,986)	54,389
Increase in cash and cash equivalents	$ 25,013	$ 15,155

Cash provided by operating activities for the nine month period ended September 30, 2009 as compared to the cash provided for the nine month period ended September 30, 2008:

Net cash provided by operating activities increased by $39.3 million to $69.6 million for the nine month period ended September 30, 2009 as compared to $30.3 million for the same period in 2008.

The increase resulted from higher net income for the nine month period ended September 30, 2009, of $23.4 million compared to $19.9 million for the nine month period ended September 30, 2008 and as a result of other factors, as discussed herein. In determining net cash provided by operating activities, net income is adjusted for the effects of certain non-cash items including depreciation and amortization of $11.0 million, $0.2 million amortization and write-off of deferred financing cost, $0.4 million amortization of deferred dry dock costs and $6.1 million non-cash compensation expense for the issuance of the 1,000,000 subordinated Series A units to Navios Holdings for the nine month periods ended September 30, 2009. In determining net cash provided by operating activities for the nine months period ended September 30, 2008, net income is also adjusted for the effects of certain non-cash items including depreciation and amortization of $8.6 million, $0.2 million amortization and write-off of deferred financing cost and $0.4 million amortization of deferred dry dock costs.

Amounts due to related parties increased by $3.6 million from $1.5 million at December 31, 2008 to $5.1 million at September 30, 2009. The main reason for such increase was: (a) the increase in management fees by $3.6 million due to the acquisition of both Navios Hope on July 1, 2008 and the Navios Fantastiks on May 2, 2008, from a chartered-in vessel; and (b) the increase in administrative fees of $0.2 million. The increase was mitigated by the decrease in other expenses due to affiliated companies of $0.2 million. During the corresponding period in 2008, amounts due to related parties decreased by $1.7 million from $4.5 million at December 31, 2007 to $2.8 million at September 30, 2008. The main reason for this was the payment of the deferred acquisition expenses related to the Navios Partners IPO amounting to $3.8 million to Navios Holdings mitigated by $2.1 million in management fees and general and administrative expenses charged by Navios Holdings outstanding as of September 30, 2008 which were settled in October 2008.

Restricted cash increased by $0.8 million from $0 at December 31, 2008 to $0.8 million at September 30, 2009. This increase was due to a $0.8 million guarantee for a claim related to an owned vessel. During the corresponding period in 2008, restricted cash was $0 as at September 30, 2008 from $0.8 million as at December 31, 2007. The reason for this decrease was that there were no funds held in Navios Partners retention account.

Accounts receivable decreased by $0.1 million from $0.3 million at December 31, 2008 to $0.2 million at September 30, 2009. This decrease was due to the receipt of a long outstanding amount due from a charterer. During the corresponding period of 2008, accounts receivable decreased by $0.1 million from $0.4 million at December 31, 2007 to $0.3 million at September 30, 2008. The main reason was the decrease in amounts due from charterers.

Deferred voyage revenue primarily reflects charter-out amounts collected on voyages that have not been completed. Deferred voyage revenue, net of commissions increased by $25.0 million from $2.6 million at December 31, 2008 to $27.6 million at September 30, 2009. Out of $27.6 million at September 30, 2009, the amount of $6.8 million and $19.4 million represents the short and long term portion, respectively, of unamortized deferred revenue received from the counterparty to the Navios Hope. In January 2009, Navios Partners and its counterparty to the Navios Hope charter mutually agreed for a lump sum amount of approximately $30.4 million or $29.6 million, net of expenses. Under a new charter agreement, the balance of the aggregate value of the original contract will be allocated to the period until its original expiration. The amount of $30.4 million has been recognized as deferred revenue and amortized over the life of the vessel s contract. During the corresponding period of 2008, deferred voyage revenue, net of commissions increased by $1.8 million from $0.2 million at December 31, 2007 to $2.0 million at September 30, 2008.

Accounts payable was $0.6 million at September 30, 2009 and December 31, 2008. The increase in brokers payable by $0.2 million was mitigated by a decrease in professional fees payable by $0.1 million and a decrease in insurers payable by $0.1 million. During the corresponding period of 2008, accounts payable decreased by $0.1 million from $0.6 million at December 31, 2007 to $0.5 million at September 30, 2008. The primary reason was a decrease in professional fees payable by $0.3 million mitigated by an increase in brokers payable by $0.2 million.

Prepaid expenses and other current assets decreased by $0.1 million from $0.4 million at December 31, 2008 to $0.3 million at September 30, 2009. This decrease is considered immaterial. Prepaid expenses and other current assets remained almost unchanged during the nine month period from December 31, 2007 to September 30, 2008.

Accrued expenses increased by $0.6 million from $1.7 million at December 31, 2008 to $2.3 million at September 30, 2009. The primary reason for this increase was (a) an increase of $0.4 million in accrued expenses mainly due to the additional accrued costs for the offerings of 3,500,000 and 2,800,000 common units and (b) and increase of $0.4 million in accrued voyage expenses. This increase was mitigated by a $0.2 million decrease in accrued loan interest. During the corresponding period of 2008, accrued expenses increased by $0.1 million from $1.4 million at December 31, 2007 to $1.5 million at September 30, 2008. The primary reason for the increase was an increase in other accrued expenses by $0.2 million mitigated by a decrease in accrued loan interest by $0.1 million.

Cash used in investing activities for the nine month period ended September 30, 2009 as compared to the nine month period ended September 30, 2008:

Net cash used in investing activities decreased by $34.9 million to $34.6 million for the nine month period ended September 30, 2009 as compared to $69.5 million for the same period in 2008.

Cash used in investing activities of $34.6 million for the nine month period ended September 30, 2009 was due to the acquisition of the rights to the Navios Sagittarius on June 10, 2009, from Navios Holdings for a cash payment of $34.6 million.

Net cash used in investing activities was $69.5 million for the nine month period ended September 30, 2008. In May 2008, Navios Partners purchased the Navios Fantastiks, for an amount of $34.2 million and paid an additional $0.3 million for capitalized expenses related to the vessel s acquisition. On July 1, 2008 Navios Partners purchased the Navios Aurora I, for cash consideration of $35.0 million.

Cash (used in)/ provided by financing activities for the nine month period ended September 30, 2009 as compared to the nine month period ended September 30, 2008:

Net cash (used in)/provided by financing activities decreased by $64.4 million to $10.0 million outflow for the nine month period ended September 30, 2009 as compared to $54.4 million inflow for the same period in 2008.

Cash used in financing activities of $10.0 million outflow for the nine month period ended September 30, 2009 was due to: (a) repayment of $40.0 million which took place in February 2009, according to the amendment dated January 30, 2009 to the Credit Facility; (b) payment of $0.2 million restructuring fee relating to such amendment; (c) payment of a total cash distribution of $27.5 million; and (d) maintenance of a minimum balance in Navios

Partners retention account of $10.0 million until September 30, 2009, in accordance with the Supplemental Agreement dated January 30, 2009 to the Facility Agreement dated November 15, 2007. This overall decrease was mitigated by: (a) an increase of $66.0 million, proceeds from the issuance of 3,500,000 common units in May 2009 and 2,800,000 common units in September 2009, net of offering costs; and (b) an increase of $1.6 million from the issuance of additional general partnership units pursuant to the offering of 3,500,000 common units in May 2009 and the offering of the 2,800,000 common units in September 2009 and due to the fact that Navios Partners was relieved from the obligation to buy Navios Bonavis. On June 9, 2009, Navios Holdings relieved Navios Partners from its obligation to purchase the Capesize vessel Navios Bonavis for $130.0

million and, with the delivery of the Navios Bonavis to Navios Holdings, Navios Partners was granted a 12-month option to purchase the vessel for $125.0 million. Navios Partners also issued 1,000,000 subordinated Series A units to Navios Holdings. The newly issued units are not eligible to receive distributions until the third anniversary of their issuance, at which point they will automatically convert into common units and receive distributions in accordance with all other common units. Consequently, Navios Partners recognized a non-cash compensation expense amounting to $6.1 million. Pursuant to the issuance of the 1,000,000 subordinated Series A units, Navios Partners issued 20,408 additional general partnership units to its general partner. In addition, Navios Holdings will be released from the Omnibus Agreement restrictions for two years in connection with acquiring vessels from third parties (but not from the requirement to offer to sell to Navios Partners qualifying vessels in Navios Holdings existing fleet).

Cash provided by financing activities was $54.4 million for the nine month period ended September 30, 2008. Navios Partners paid total cash distribution of $16.2 million during the nine month period ended September 30, 2008. Navios Partners borrowed an additional $70.0 million under its Credit Facility in order to finance the acquisition of the vessel Navios Fantastiks on May 2, 2008 and Navios Aurora I on July 1, 2008 and also paid debt issuance cost amounting to $0.3 million. In addition, in connection with the issuance of 3,131,415 common units to Navios Holdings as part of the purchase price for Navios Aurora I, Navios Partners received an amount of $0.9 million in exchange for the issuance of 63,906 units to the general partner in order to maintain its 2% general partner interest in Navios Partners.

Reconciliation of Adjusted EBITDA to Net Cash from Operating Activities, Operating Surplus and Available Cash for Distribution

	(unaudited) Three Month Period ended September 30, 2009 ($ 000)	(unaudited) Three Month Period ended September 30, 2008 ($ 000)	(unaudited) Nine Month Period ended September 30, 2009 ($ 000)	(unaudited) Nine Month Period ended September 30, 2008 ($ 000)
Net Cash from operating activities	$ 12,635	$ 16,370	$ 69,599	$ 30,271
Net(decrease)/ increase in operating assets	(177)	(1,110)	633	(848)
Net decrease/(increase) in operating liabilities	2,706	(2,831)	(29,282)	(292)
Net interest cost	1,673	2,212	5,931	6,933
Deferred finance charges	(63)	(60)	(190)	(161)
Adjusted EBITDA	16,774	14,581	46,691	35,903
Cash interest income	25	75	114	166
Cash interest paid	(1,718)	(2,073)	(6,020)	(6,856)
Expansion capital expenditures		(35,000)	(34,600)	(69,155)
Equity Issuance	32,882		67,675	
Borrowings to fund expansion capital expenditures		34,773		69,773
Expansion capital expenditures reserve	(32,882)		(32,882)	
Maintenance and replacement capital expenditures	(1,957)	(2,742)	(5,872)	(7,152)
Operating Surplus	13,124	9,614	35,106	22,679
			(18,787)	(12,966)

Cash distribution paid relating to the first half of 2009				
Recommended reserves accumulated as of beginning of January 1	2,126	18	2,126	18
Reserves accumulated during the first half distributed in the third quarter	3,195	99		
Recommended reserves held as of quarter end	(6,890)	(1,382)	(6,890)	(1,382)