Navios Maritime Partners L.P.
Form 6-K
April 26, 2012
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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: April 26, 2012

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 x Form 40-F ¨

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

Yes ¨ No x

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

Yes ¨ No x

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

Yes ¨ No x

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

N/A

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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. 333-170284.

Operating and Financial Review

The following is a discussion of the financial condition and results of operations for the three month periods ended March 31, 2012 and 2011 of Navios Maritime Partners L.P. (referred to herein as we , us or Navios Partners). All of the 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 2011 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.

Overview

General

Navios Partners is an international owner and operator of dry bulk vessels, formed in August 2007 by Navios Maritime Holdings Inc. (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 credit facility, as subsequently amended (the Credit Facility) to acquire its initial fleet of vessels.

On January 1, 2012, in accordance with the terms of the partnership agreement, all of the outstanding subordinated units converted into 7,621,843 shares of common units (conversion excluded the subordinated Series A units).

As of April 25, 2012, there were outstanding: 54,509,163 common units, 1,000,000 subordinated Series A units and 1,132,843 general partnership units. Navios Maritime Holdings Inc. (Navios Holdings) owns a 27.1% interest in Navios Partners, which includes the 2% general partner interest.

Fleet

Our fleet currently consists of eleven active Panamax vessels, six Capesize vessels and one Ultra-Handymax vessel.

In general, our vessels operate under long-term time charters of three or more years at inception with counterparties that we believe are creditworthy. We may in the future 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)	Charter Expiration Date	Charter-Out Rate per day (1)
Navios Apollon	Ultra-Handymax	2000	52,073	March 2013	$ 12,500
				March 2014	$ 13,500
Navios Gemini S	Panamax	1994	68,636	February 2014	$ 24,225
Navios Libra II	Panamax	1995	70,136	November 2012	$ 18,525
Navios Felicity	Panamax	1997	73,867	June 2013	$ 26,169
Navios Galaxy I	Panamax	2001	74,195	February 2018	$ 21,937
Navios Hyperion	Panamax	2004	75,707	April 2014	$ 37,953

Navios Alegria	Panamax	2004	76,466	February 2014	$	16,984[(2)]
Navios Orbiter	Panamax	2004	76,602	April 2014	$	38,052
Navios Hope	Panamax	2005	75,397	August 2013	$	17,562
Navios Sagittarius	Panamax	2006	75,756	November 2018	$	26,125
Navios Fantastiks	Capesize	2005	180,265	February 2014	$	36,290
Navios Aurora II	Capesize	2009	169,031	November 2019	$	41,325
Navios Pollux	Capesize	2009	180,727	July 2019	$	42,250
Navios Fulvia	Capesize	2010	179,263	September 2015	$	50,588
Navios Melodia[(3)]	Capesize	2010	179,132	September 2022	$	29,356(4)
Navios Luz	Capesize	2010	179,144	November 2020	$	29,356(5)
Long-term Chartered-in Vessels						
Navios Prosperity[(6)]	Panamax	2007	82,535	July 2012	$	24,000
Navios Aldebaran[(7)]	Panamax	2008	76,500	March 2013	$	28,391

(1) 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 new time charter.

(2) Profit sharing 50% above $16,984/ day based on Baltic Exchange Panamax TC Average.

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(3) In January 2011, Korea Line Corporation (KLC) filed for receivership. The charter was affirmed and will be performed by KLC on its original terms, provided that during an interim suspension period the sub-charterer of the Navios Melodia pays Navios Partners directly.
(4) Profit sharing 50% above $37,500/ day based on Baltic Exchange Capesize TC Average.
(5) Profit sharing 50% above $38,500/ day based on Baltic Exchange Capesize TC Average.
(6) The Navios Prosperity is chartered-in for seven years until June 2014 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 ($46.2 million based upon the exchange rate at March 31, 2012), declining each year by 145 million Yen ($1.8 million based upon the exchange rate at March 31, 2012).
(7) The Navios Aldebaran is chartered-in for seven years until March 2015 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 ($43.8 million based upon the exchange rate at March 31, 2012) declining each year by 150 million Yen ($1.8 million based upon the exchange rate at March 31, 2012).

Our Charters

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

For the three month period ended March 31, 2012, we had 15 charter counterparties, the most significant of which were Cosco Bulk Carrier, Mitsui O.S.K. Lines Ltd and Samsun Logix and which accounted for approximately 24.4%, 17.5% and 14.6%, respectively, of total revenues. For the fiscal year ended December 31, 2011 we had 15 charter counterparties, the most significant of which were Cosco Bulk Carrier Co., Ltd., Mitsui O.S.K. Lines, Ltd. and Samsun Logix, and which accounted for approximately 22.2%, 18.5% and 13.2%, 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 Navios ShipManagement Inc. (the Manager), a wholly- owned subsidiary of Navios Holdings (which provides for a fixed management fee until December 31, 2013), provides 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 2011 Annual Report on Form 20-F for a discussion of certain risks inherent in our business.

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 2011 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 three month periods ended March 31, 2012 and 2011 of Navios Partners discussed below include the following entities and chartered-in vessels:

			Statement of income			
Company name	**Vessel name**	**Country of incorporation**	**2012**		**2011**	
Libra Shipping Enterprises Corporation	Navios Libra II	Marshall Is.	1/1	3/31	1/1	3/31
Alegria Shipping Corporation	Navios Alegria	Marshall Is.	1/1	3/31	1/1	3/31
Felicity Shipping Corporation	Navios Felicity	Marshall Is.	1/1	3/31	1/1	3/31
Gemini Shipping Corporation	Navios Gemini S	Marshall Is.	1/1	3/31	1/1	3/31
Galaxy Shipping Corporation	Navios Galaxy I	Marshall Is	1/1	3/31	1/1	3/31
Aurora Shipping Enterprises Ltd.	Navios Hope	Marshall Is	1/1	3/31	1/1	3/31
Palermo Shipping S.A.	Navios Apollon	Marshall Is	1/1	3/31	1/1	3/31
Fantastiks Shipping Corporation	Navios Fantastiks	Marshall Is.	1/1	3/31	1/1	3/31
Sagittarius Shipping Corporation	Navios Sagittarius	Marshall Is.	1/1	3/31	1/1	3/31

Hyperion Enterprises Inc.	Navios Hyperion	Marshall Is.	1/1	3/31	1/1	3/31
Chilali Corp.	Navios Aurora II	Marshall Is.	1/1	3/31	1/1	3/31
Surf Maritime Co.	Navios Pollux	Marshall Is.	1/1	3/31	1/1	3/31
Pandora Marine Inc.	Navios Melodia	Marshall Is.	1/1	3/31	1/1	3/31
Customized Development S.A.	Navios Fulvia	Liberia	1/1	3/31	1/1	3/31
Kohylia Shipmanagement S.A	Navios Luz	Marshall Is.	1/1	3/31		
Orbiter Shipping Corp.	Navios Orbiter	Marshall Is.	1/1	3/31		
Chartered-in vessels						
Prosperity Shipping Corporation	Navios Prosperity	Marshall Is.	1/1	3/31	1/1	3/31
Aldebaran Shipping Corporation	Navios Aldebaran	Marshall Is.	1/1	3/31	1/1	3/31
Other						
JTC Shipping and Trading Ltd.(*)	Holding Company	Malta	1/1	3/31	1/1	3/31
Navios Maritime Partners L.P.	N/A	Marshall Is.	1/1	3/31	1/1	3/31
Navios Maritime Operating LLC	N/A	Marshall Is.	1/1	3/31	1/1	3/31

(*) Not a vessel-owning subsidiary and only holds right to a 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 a fair statement of results, in all material respects, Navios Partners condensed consolidated financial position as of March 31, 2012 and the condensed consolidated results of operations for the three months ended March 31, 2012 and 2011. The footnotes are condensed as permitted by the requirements for interim financial statements and, accordingly, do not include information and disclosures required under US 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, 2011.

FINANCIAL HIGHLIGHTS

The following table presents consolidated revenue and expense information for the three month periods ended March 31, 2012 and 2011.

	Three Month Period ended March 31, 2012 ($ 000) (unaudited)	**Three Month Period ended March 31, 2011 ($ 000) (unaudited)**
Time charter revenues	$ 47,987	$ 42,804
Time charter expenses	(3,215)	(2,951)
Direct vessel expenses	(12)	(18)
Management fees	(7,234)	(6,048)
General and administrative expenses	(1,285)	(1,183)
Depreciation and amortization	(17,150)	(14,033)
Interest expense and finance cost, net	(2,812)	(2,029)
Interest income	126	250
Other income	558	12
Other expense	(26)	(204)
Net income	**$ 16,937**	**$ 16,600**
EBITDA (1)	**$ 36,785**	**$ 32,430**
Operating Surplus (1)	**$ 29,590**	**$ 26,518**

(1) EBITDA and Operating Surplus are non-GAAP financial measures. See Reconciliation of EBITDA to Net Cash from Operating Activities, Operating Surplus and Available Cash for Distribution for a description of EBITDA and Operating Surplus and a reconciliation of EBITDA and Operating Surplus to the most comparable measure under US GAAP.

Period over Period Comparisons

For the Three Month Period ended March 31, 2012 compared to the Three Month Period ended March 31, 2011

Time charter revenues: Time charter revenues for the three month period ended March 31, 2012 increased by $5.2 million or 12.1% to $48.0 million, as compared to $42.8 million for the same period in 2011. The increase was mainly attributable to the acquisition of the Navios Luz and the Navios Orbiter on May 19, 2011. As a result of the vessel acquisitions, available days of the fleet increased to 1,576 days for the three month period ended March 31, 2012, as compared to 1,407 days for the three month period ended March 31, 2011. Time charter equivalent (TCE) decreased to $29,978 for the three month period ended March 31, 2012, from $30,422 for the three month period ended March 31, 2011. The increase in revenue was partially off-set by scheduled off-hires of two owned vessel due to drydocking which resulted in $1.6 million of lost hire.

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Time charter expenses: Time charter expenses for the three month period ended March 31, 2012 increased by $0.2 million or 6.7% to $3.2 million, as compared to $3.0 million for the three month period ended March 31, 2011. The increase was mainly due to the increase in brokers commission by $0.2 million.

Management fees: Management fees for the three month period ended March 31, 2012, increased by $1.2 million or 20.0% to $7.2 million, as compared to $6.0 million for the same period in 2011. The increase was mainly attributable to the acquisitions of the Navios Luz and the Navios Orbiter on May 19, 2011 and the increase in fixed management fees effective from November 17, 2011.

In accordance with the management agreement entered into by Navios Partners, the Manager provided all of Navios Partners owned vessels with commercial and technical management services for a daily fee of $4,400 per owned Panamax vessel, $5,500 per owned Capesize vessel and $4,500 per owned Ultra-Handymax vessel until November 16, 2011. In October 2011, Navios Partners extended the duration of its existing Management Agreement with the Manager until December 31, 2017 and fixed the rate for shipmanagement services of its owned fleet through December 31, 2013. The new management fees are: (a) $4,650 daily rate per Ultra-Handymax vessel; (b) $4,550 daily rate per Panamax vessel; and (c) $5,650 daily rate per Capesize vessel.

General and administrative expenses: General and administrative expenses increased by $0.1 million or 8.3% to $1.3 million for the three month period ended March 31, 2012, as compared to $1.2 million for the same period of 2011. The increase was mainly attributable to the increase in administrative expenses paid to the Manager due to the increased number of vessels in Navios Partners fleet.

Pursuant to the Administrative Services Agreement, the Manager provides administrative services and is reimbursed for reasonable costs and expenses incurred in connection with these services. In October 2011, Navios Partners extended the duration of its existing Administrative Services Agreement with the Manager pursuant to the same terms, until December 31, 2017. For the three month periods ended March 31, 2012 and 2011, the expenses charged by the Manager for administrative fees were $0.9 million and $0.8 million, respectively. The balance of $0.4 million of general and administrative expenses, for each of the three month periods ended March 31, 2012 and 2011, relate to legal and professional fees, as well as audit fees and directors fees.

Depreciation and amortization: Depreciation and amortization amounted to $17.2 million for the three month period ended March 31, 2012 compared to $14.0 million for the three month period ended March 31, 2011. The increase of $3.2 million or 22.9% was attributable to: (a) an increase in depreciation expense of $0.9 million due to the acquisitions of the Navios Luz and the Navios Orbiter on May 19, 2011; and (b) an increase in amortization expense of $2.3 million due to the favorable lease terms that were recognized in relation to the acquisition of the rights on the time charter-out contracts of the vessels mentioned above. 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 three to twelve years.

Interest expense and finance cost, net: Interest expense and finance cost, net for the three month period ended March 31, 2012 increased by $0.8 million or 40.0% to $2.8 million, as compared to $2.0 million in the same period of 2011. The increase was due to: (a) the increase in the average outstanding loan balance to $321.5 million in the three months ended March 31, 2012 from $318.1 million in the three months ended March 31, 2011; and (b) the higher weighted average interest rate of 3.29% for the three month period ended March 31, 2012, compared to 2.40% for the same period in 2011. As of March 31, 2012 and 2011, the outstanding loan balance under Navios Partners credit facilities was $291.1 million and $314.2 million, respectively.

Net income: Net income for the three months ended March 31, 2012 amounted to $16.9 million compared to $16.6 million for the three months ended March 31, 2011. The increase in net income of $0.3 million was due to the factors discussed above.

Operating surplus: Navios Partners generated operating surplus for the three month period ended March 31, 2012 of $29.6 million, compared to $26.5 million for the three month period ended March 31, 2011. Operating Surplus is a non-GAAP financial measure used by certain investors to assist in evaluating a partnership s ability to make quarterly cash distributions (See Reconciliation of 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

In addition to distributions on our units, our primary short-term liquidity needs are to fund general working capital requirements, cash reserve requirements as per our Credit Facilities and debt service, while our long-term liquidity needs primarily relate to expansion and investment capital expenditures and other maintenance capital expenditures and debt repayment. Expansion capital expenditures are primarily for the purchase or construction of vessels to the extent the expenditures increase the operating capacity of or revenue generated by our fleet, while maintenance capital expenditures primarily consist of drydocking expenditures and expenditures to replace vessels in order to maintain the operating capacity of or revenue generated by our fleet. Investment capital expenditures are those capital expenditures that are neither maintenance capital expenditures nor expansion capital expenditures.

We anticipate that our primary sources of funds for our short-term liquidity needs will be cash flows from operations. We believe that cash flows from operations will be sufficient to meet our existing short-term liquidity needs for at least the next 12 months. In addition, we filed a shelf registration statement on November 9, 2010 under which we may sell any combination of securities (debt or equity) for up to a total of $500.0 million, all of which is currently available.

Generally, our long-term sources of funds derive from cash from operations, long-term bank borrowings and other debt or equity financings. Because we distribute our available cash, we expect that we will rely upon external financing sources, including bank borrowings and the issuance of debt and equity securities, to fund acquisitions and expansion and investment capital expenditures, including opportunities we may pursue under the Omnibus Agreement. We cannot assure you that we will be able to raise the size of our Credit Facilities or obtaining additional funds on favorable terms.

Cash deposits and cash equivalents in excess of amounts covered by government provided insurance are exposed to loss in the event of non-performance by financial institutions. Navios Partners does maintain cash deposits and equivalents in excess of government provided insurance limits. Navios Partners also minimizes exposure to credit risk by dealing with a diversified group of major financial institutions.

Credit Facilities

As of March 31, 2012, all of our facilities are fully drawn and the total borrowings under the credit facilities amount to $291.1 million. As of March 31, 2012, Navios Partners was in compliance with the financial covenants of its credit facilities.

Navios Partners Credit Facility has a margin from 1.65% to 1.95% depending on the loan to value ratio and a repayment schedule that began in February 2011. The facility is repayable in 24 quarterly installments of $7.3 million each and three quarterly installments of $12.3 million each with a final balloon payment of $109.4 million to be repaid on the last repayment date. In the first quarter of 2012, Navios Partners repaid $7.3 million under its Credit facility and also amended its Credit Facility to prepay $27.1 million of which $5.0 million was paid through an existing pledged account. The prepayment will be applied in full or partial settlement of the installments of the next four quarters.

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On May 27, 2011, Navios Partners entered into the May 2011 Credit Facility with the Lenders, and borrowed an amount of $35.0 million to partially finance the acquisitions of the Navios Luz and the Navios Orbiter. The May 2011 Credit Facility has a maturity of seven years and is repayable in 28 quarterly installments of $0.63 million each with a final balloon payment of $17.5 million to be repaid on the last repayment date. The May 2011 Credit Facility bears interest at a rate of LIBOR plus 270 bps and also requires compliance with certain financial covenants. In the first quarter 2012, Navios Partners repaid $0.6 million under the May 2011 Credit Facility.

The Company has no undrawn available facilities.

The Company has no capital expenditure commitments.

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 three month periods ended March 31, 2012 and 2011.

	Three Month Period Ended March 31, 2012 ($ 000) (Unaudited)	**Three Month Period Ended March 31, 2011 ($ 000)** (Unaudited)
Net cash provided by operating activities	$ 37,788	$ 31,273
Net cash used in financing activities	(52,370)	(29,201)
(Decrease)/increase in cash and cash equivalents	$ (14,582)	$ 2,072

Cash provided by operating activities for the three month period ended March 31, 2012 as compared to the cash provided for the three month period ended March 31, 2011:

Net cash provided by operating activities increased by $6.5 million to $37.8 million for the three month period ended March 31, 2012, as compared to $31.3 million for the same period in 2011.

Net income increased by $0.3 million to $16.9 million for the three month period ended March 31, 2012, from $16.6 million in the three month period ended March 31, 2011. In determining net cash provided by operating activities for the three month period ended March 31, 2012, net income was adjusted for the effects of certain non-cash items, including depreciation and amortization of $17.2 million, $0.1 million amortization of deferred financing cost and $0.01 million amortization of deferred dry dock costs. For the period ended March 31, 2011, net income was also adjusted for the effects of certain non-cash items, including depreciation and amortization of $14.0 million, $0.1 million amortization of deferred financing cost, $0.02 million amortization of deferred dry dock costs.

Restricted cash decreased by $7.5 million from $8.5 million for the year ended December 31, 2011 to $1.0 million at March 31, 2012. Restricted cash includes an amount of $0.2 million held in retention and pledged accounts as required by Navios Partners credit facilities and an amount of $0.8 million to guarantee a claim related to an owned vessel.

Accounts receivable decreased by $1.2 million, from $4.8 million at December 31, 2011, to $3.6 million at March 31, 2012 due to the decrease in amounts due from charterers.

Prepaid expenses and other current assets decreased by $1.8 million, from $2.2 million at December 31, 2011, to $0.4 million at March 31, 2012 mainly due to the collection of an insurance claim.

Other long term assets increased by $0.4 million, from $0.1 million at December 31, 2011, to $0.5 million at March 31, 2012.

Accounts payable decreased by $0.4 million, from $2.0 million at December 31, 2011, to $1.6 million at March 31, 2012. The decrease was attributed to the decrease in brokers payable by $0.3 million and decrease in other payables by $0.2 million, partially offset by the increase in professional and legal fees payable by $0.1 million.

Accrued expenses decreased by $0.2 million from $3.0 million at December 31, 2011 to $2.8 million at March 31, 2012. The primary reasons for the decrease were a decrease in accrued legal and professional fees by $0.1 million and a decrease in accrued loan interest by $0.2 million, partially offset by a $0.1 million increase in accrued voyage expenses.

Deferred voyage revenue primarily relates to cash received from charterers prior to it being earned. Deferred voyage revenue, net of commissions decreased by $2.2 million from $15.1 million at December 31, 2011 to $12.9 million at March 31, 2012. Out of $12.9 million at March 31, 2012, the amount of $6.7 million and $2.6 million represents the short and long term portion, respectively, of unamortized deferred revenue received from the counterparty to the Navios Hope.

Amounts due to related parties increased by $3.8 million, from $4.1 million at December 31, 2011, to $7.9 million at March 31, 2012. The main reason was an increase in accrued management fees by $2.1 million and an increase in other payables due to affiliated companies by $1.7 million.

Cash used in investing activities for the three month period ended March 31, 2012 as compared to the three month period ended March 31, 2011:

There was no cash used in investing activities during the the three month periods ended March 31, 2012 and 2011.

Cash used in financing activities for the three month period ended March 31, 2012 as compared to the three month period ended March 31, 2011:

Net cash used in financing activities increased by $23.2 million to $52.4 million outflow for the three month period ended March 31, 2012, as compared to $29.2 million outflow for the same period in 2011.

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Cash used in financing activities of $52.4 million for the three month period ended March 31, 2012 was due to: (a) loan repayments of $35.0 million; and (b) payment of a total cash distribution of $24.8 million which partially offset by a decrease of $7.4 million in restricted cash.

Cash used in financing activities of $29.2 million outflow for the three month period ended March 31, 2011 was due to: (a) payment of a total cash distribution of $21.9 million; and (b) loan repayment of $7.3 million.

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

	Three Month Period ended March 31, 2012 ($ 000) (unaudited)	Three Month Period ended March 31, 2011 ($ 000) (unaudited)
Net Cash from Operating Activities	$ 37,788	$ 31,273