

Navios Maritime Partners L.P.
Form 6-K
August 12, 2016
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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: August 12, 2016

Commission File No. 001-33811

NAVIOS MARITIME PARTNERS L.P.

7 Avenue de Grande Bretagne, Office 11B2

Monte Carlo, MC 98000 Monaco

(Address of Principal Executive Offices)

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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 Form 40-F

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

Yes No

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

Yes No

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

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. 333-192176.

Operating and Financial Review

The following is a discussion of the financial condition and results of operations for the three and six month periods ended June 30, 2016 and 2015 of Navios Maritime Partners L.P. (referred to herein as we, us or Navios Partners). All of the financial statements have been stated 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' 2015 Annual Report filed on Form 20-F with the Securities and Exchange Commission.

This report contains forward-looking statements (as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended) concerning future events including Navios Partners' future distributions and its ability to sustain the revised distribution, opportunities to reinvest cash accretively in a fleet renewal program or otherwise and Navios Partners' growth strategy and measures to implement such strategy; including expected vessel acquisitions and entering into further time charters. Words such as may, expects, intends, plans, believes, anticipates, hopes, estimates, and variations of such words and similar expressions are intended to identify forward-looking statements. Such statements include comments regarding expected revenue and time charters. These forward-looking statements are based on the information available to, and the expectations and assumptions deemed reasonable by, Navios Partners at the time this filing was made. Although Navios Partners believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. These statements involve known and unknown risks and are based upon a number of assumptions and estimates which are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of Navios Partners. 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, uncertainty relating to global trade, including prices of seaborne commodities and continuing issues related to seaborne volume and ton miles, our continued ability to enter into long-term time charters, our ability to maximize the use of our vessels, expected demand in the dry cargo shipping sector in general and the demand for our Panamax, Capesize, Ultra-Handymax and Container vessels in particular, fluctuations in charter rates for dry cargo carriers and container vessels, the aging of our fleet and resultant increases in operations costs, the loss of any customer or charter or vessel, changes in the availability and costs of funding due to conditions in the bank market, capital markets and other factors, increases in costs and expenses, including but not limited to: crew wages, insurance, provisions, port expenses, lube oil, bunkers, repairs, maintenance and general and administrative expenses, the expected cost of, and our ability to comply with, governmental regulations and maritime self-regulatory organization standards, as well as standard regulations imposed by our charterers applicable to our business, general domestic and international political conditions, 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 Navios Partners' filings with the Securities and Exchange Commission, including its Form 20-F's and Form 6-K's. Navios Partners expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Navios Partners' expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based. Navios Partners makes no prediction or statement about the performance of its common units.

Recent developments

In June 2016, Navios Partners agreed to sell to an unrelated third party the MSC Cristina, a 2011 South Korean-built Container vessel of 13,100 TEU, for a total net sale price of \$125.0 million, with delivery expected by the first quarter

of 2017, subject to signing of definitive documentation.

Pursuant to the charter restructuring documentation executed on July 15, 2016, it has been agreed that the hire rate of five Container vessels chartered out to Hyundai Merchant Marine Co., Ltd. (HMM) will be reduced by 20%, as follows:

With effect from (and including) July 18, 2016 until (and including) December 31, 2019, hire rate shall be reduced to \$24,400 per day pro rata.

With effect from (and including) January 1, 2020, hire rate shall be restored to the rate of \$30,500 per day pro rata until redelivery.

In exchange under the charter restructuring agreement, the Company received:

\$7.7 million principal amount of senior, unsecured notes, amortizing subject to available cash flows, accruing interest at 3% per annum payable on maturity in July 2024; and

3.7 million freely tradable shares of HMM.

In August 2016, Navios Partners sold the 3.7 million shares of HMM generating net cash proceeds of approximately \$21.3 million.

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Overview

Navios Partners is an international owner and operator of dry cargo vessels, formed on August 7, 2007 under the laws of the Republic of the Marshall Islands by Navios Maritime Holdings Inc. (Navios Holdings), a vertically integrated seaborne shipping and logistics company with over 60 years of operating history in the drybulk shipping industry. Navios GP L.L.C. (the General Partner), a wholly owned subsidiary of Navios Holdings, was also formed on that date to act as the general partner of Navios Partners and received a 2.0% general partner interest in Navios Partners.

As of August 11, 2016, there were outstanding 83,079,710 common units and 1,695,509 general partnership units. Navios Holdings currently owns a 20.1% interest in Navios Partners, which includes the 2.0% general partner interest.

Fleet

Our fleet consists of 12 Panamax vessels, eight Capesize vessels, three Ultra-Handymax vessels and eight Container vessels, including the one Container vessel, which we agreed to sell as described above.

In general, the vessels in our fleet are chartered-out under time charters, which range in length from one to eleven years at inception. From time to time, we operate vessels in the spot market until the vessels have been chartered under long-term charters.

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The following table provides summary information about our fleet as of August 11, 2016:

Owned Drybulk Vessels	Type	Built	Capacity (DWT)	Charter Expiration Date⁽²⁾	Charter-Out Rate⁽¹⁾
Navios Apollon	Ultra-Handymax	2000	52,073	September 2016	\$ 4,465
Navios Soleil	Ultra-Handymax	2009	57,337	November 2016	\$ 5,415
Navios La Paix	Ultra-Handymax	2014	61,485	February 2017	\$ 125% of pool earnings
Navios Gemini S	Panamax	1994	68,636	October 2016	\$ 9,500
Navios Libra II	Panamax	1995	70,136	September 2016	\$ 3,088
Navios Felicity	Panamax	1997	73,867	April 2017	\$ 4,750
Navios Galaxy I	Panamax	2001	74,195	February 2018	\$ 21,937
Navios Hyperion	Panamax	2004	75,707	October 2016	\$ 5,558
Navios Alegria	Panamax	2004	76,466	October 2016	\$ 5,463
Navios Orbiter	Panamax	2004	76,602	December 2016	\$ 9,986
				March 2019	\$ Index ⁽³⁾
Navios Helios	Panamax	2005	77,075	January 2017	\$ Index ⁽⁴⁾
Navios Sun	Panamax	2005	76,619	November 2016	\$ 9,986
				January 2019	\$ Index ⁽³⁾
Navios Hope	Panamax	2005	75,397	November 2016	\$ 9,986
				February 2019	\$ Index ⁽³⁾
Navios Sagittarius	Panamax	2006	75,756	November 2018	\$ 26,125
Navios Harmony	Panamax	2006	82,790	May 2017	\$ 4,750+Index ⁽⁵⁾
Navios Fantastiks	Capesize	2005	180,265	January 2017	\$ 12,825
Navios Aurora II	Capesize	2009	169,031	August 2017	\$ Index ⁽⁶⁾
Navios Pollux	Capesize	2009	180,727	August 2016	\$ 100% of pool earnings
Navios Fulvia	Capesize	2010	179,263	February 2017	\$ 13,443
Navios Melodia	Capesize	2010	179,132	September 2022	\$ 29,356 ⁽⁷⁾
Navios Luz	Capesize	2010	179,144	November 2020	\$ 29,356 ⁽⁸⁾
Navios Buena Ventura	Capesize	2010	179,259	October 2020	\$ 29,356 ⁽⁸⁾
Navios Joy	Capesize	2013	181,389	January 2017	\$ 6,175

Owned Container Vessels	Type	Built	TEU	Charter Expiration Date⁽²⁾	Charter-Out Rate⁽¹⁾
Hyundai Hongkong	Container	2006	6,800	December 2019	\$ 24,095
				December 2023	\$ 30,119 ⁽⁹⁾
Hyundai Singapore	Container	2006	6,800	December 2019	\$ 24,095
				December 2023	\$ 30,119 ⁽⁹⁾
Hyundai Tokyo	Container	2006	6,800	December 2019	\$ 24,095
				December 2023	\$ 30,119 ⁽⁹⁾
Hyundai Shanghai	Container	2006	6,800	December 2019	\$ 24,095
				December 2023	\$ 30,119 ⁽⁹⁾
Hyundai Busan	Container	2006	6,800	December 2019	\$ 24,095
				December 2023	\$ 30,119 ⁽⁹⁾
YM Utmost	Container	2006	8,204	August 2018	\$ 34,266

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YM Unity	Container	2006	8,204	October 2018	\$	34,266
MSC Cristina				December 2016		
	Container	2011	13,100	January 2017	\$	60,275 ⁽¹⁰⁾

- (1) Daily charter-out rate per day, net of commissions or settlement and insurance proceeds, where applicable.
- (2) Expected redelivery basis midpoint of full redelivery period, excluding Navios Partners extension options, not declared yet.
- (3) Average BPI 4TC minus \$2,488 net per day.
- (4) 106% average BPI 4TC.
- (5) 52% average BPI 4TC.
- (6) \$9,480/day adjusted for 50% pool earnings or weighted average BCI 5TC.
- (7) Profit sharing 50% above \$37,500/day based on Baltic Exchange Capesize TC Average.
- (8) Profit sharing 50% above \$38,500/day based on Baltic Exchange Capesize TC Average.
- (9) Upon acquisition, the vessels are fixed on ten/twelve year charters with Navios Partners option to terminate after year seven.
- (10) The vessel has been classified as held for sale and is expected to be delivered to the buyer by the first quarter of 2017.

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Our Charters

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

For the six month period ended June 30, 2016, Navios Partners' customers representing 10% or more of total revenues were Hyundai Merchant Marine Co., Ltd. (HMM), Yang Ming Marine Transport Corporation, Hanjin Shipping Co. Ltd. and Mediterranean Shipping Co. S.A. which accounted for approximately 30.7%, 13.5%, 12.3% and 12.1%, respectively, of total revenues. For the year ended December 31, 2015, Navios Partners' customers representing 10% or more of total revenues were HMM, Navios Corporation and Yang Ming Marine Transport Corporation, which accounted for approximately 24.0%, 17.4% and 11.4%, 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, 2017), 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 drydock;

the age, condition and specifications of the vessels; and

the aggregate level of supply and demand in the dry cargo 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. Vessel charter rates are affected by world economics, international events, weather conditions, strikes, governmental policies, supply and demand and many other factors that might be beyond our

control. Please read Risk Factors in our 2015 Annual Report on Form 20-F for a discussion of certain risks inherent in our business.

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 of the vessel;

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.

Under some of our time charters, either party may terminate the charter contract in the event of war in specified countries or in locations that would significantly disrupt the free trade of the vessel. Some of the time charters covering our vessels require us to return to the charterer, upon the loss of the vessel, all advances paid by the charterer but not earned by us.

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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 2015 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 six month periods ended June 30, 2016 and 2015 of Navios Partners discussed below include the following entities and chartered-in vessels:

Company name	Vessel name	Country of incorporation	Statements of operations			
			2016		2015	
Libra Shipping Enterprises Corporation	Navios Libra II	Marshall Is.	1/01	06/30	1/01	06/30
Alegria Shipping Corporation	Navios Alegria	Marshall Is.	1/01	06/30	1/01	06/30
Felicity Shipping Corporation	Navios Felicity	Marshall Is.	1/01	06/30	1/01	06/30
Gemini Shipping Corporation	Navios Gemini S	Marshall Is.	1/01	06/30	1/01	06/30
Galaxy Shipping Corporation	Navios Galaxy I	Marshall Is.	1/01	06/30	1/01	06/30
Aurora Shipping Enterprises Ltd.	Navios Hope	Marshall Is.	1/01	06/30	1/01	06/30
Palermo Shipping S.A.	Navios Apollon	Marshall Is.	1/01	06/30	1/01	06/30
Fantastiks Shipping Corporation	Navios Fantastiks	Marshall Is.	1/01	06/30	1/01	06/30
Sagittarius Shipping Corporation	Navios Sagittarius	Marshall Is.	1/01	06/30	1/01	06/30
Hyperion Enterprises Inc.	Navios Hyperion	Marshall Is.	1/01	06/30	1/01	06/30
Chilali Corp.	Navios Aurora II	Marshall Is.	1/01	06/30	1/01	06/30
Surf Maritime Co.	Navios Pollux	Marshall Is.	1/01	06/30	1/01	06/30
Pandora Marine Inc.	Navios Melodia	Marshall Is.	1/01	06/30	1/01	06/30
Customized Development S.A.	Navios Fulvia	Liberia	1/01	06/30	1/01	06/30
Kohylia Shipmanagement S.A.	Navios Luz	Marshall Is.	1/01	06/30	1/01	06/30
Orbiter Shipping Corp.	Navios Orbiter	Marshall Is.	1/01	06/30	1/01	06/30
Floral Marine Ltd.	Navios Buena Ventura	Marshall Is.	1/01	06/30	1/01	06/30
Golem Navigation Limited	Navios Soleil	Marshall Is.	1/01	06/30	1/01	06/30
Kymata Shipping Co.	Navios Helios	Marshall Is.	1/01	06/30	1/01	06/30
Joy Shipping Corporation	Navios Joy	Marshall Is.	1/01	06/30	1/01	06/30
Micaela Shipping Corporation	Navios Harmony	Marshall Is.	1/01	06/30	1/01	06/30
Pearl Shipping Corporation	Navios Sun	Marshall Is.	1/01	06/30	1/01	06/30
Velvet Shipping Corporation	Navios La Paix	Marshall Is.	1/01	06/30	1/01	06/30
Rubina Shipping Corporation	Hyundai Hongkong	Marshall Is.	1/01	06/30	1/01	06/30
Topaz Shipping Corporation	Hyundai Singapore	Marshall Is.	1/01	06/30	1/01	06/30
Beryl Shipping Corporation	Hyundai Tokyo	Marshall Is.	1/01	06/30	1/01	06/30
Cheryl Shipping Corporation	Hyundai Shanghai	Marshall Is.	1/01	06/30	1/01	06/30
Christal Shipping Corporation	Hyundai Busan	Marshall Is.	1/01	06/30	1/01	06/30
Fairy Shipping Corporation	YM Utmost	Marshall Is.	1/01	06/30	1/01	06/30

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Limestone Shipping Corporation	YM Unity	Marshall Is.	1/01	06/30	1/01	06/30
Dune Shipping Corp.	MSC Cristina	Marshall Is.	1/01	06/30	4/22	06/30
Citrine Shipping Corporation		Marshall Is.				
Chartered-in vessels						
Prosperity Shipping Corporation	Navios Prosperity	Marshall Is.			1/01	03/05
Aldebaran Shipping Corporation	Navios Aldebaran	Marshall Is.			1/01	02/28
Other						
JTC Shipping and Trading Ltd (*)	Holding Company	Malta	1/01	06/30	1/01	06/30
Navios Maritime Partners L.P.	N/A	Marshall Is.	1/01	06/30	1/01	06/30
Navios Maritime Operating LLC	N/A	Marshall Is.	1/01	06/30	1/01	06/30
Navios Partners Finance (US) Inc.	Co-Borrower	Delaware	1/01	06/30	1/01	06/30
Navios Partners Europe Finance Inc.	Sub-Holding					
	Company	Marshall Is.	1/01	06/30	1/01	06/30

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

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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, of Navios Partners' condensed consolidated financial position as of June 30, 2016 and the condensed consolidated results of operations for the three and six months ended June 30, 2016 and 2015. 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, 2015.

Fleet Employment Profile

The following table reflects certain key indicators indicative of the performance of Navios Partners and its core fleet performance for the three and six month periods ended June 30, 2016 and 2015.

	Three Month Period Ended June 30, 2016 (unaudited)	Three Month Period Ended June 30, 2015 (unaudited)	Six Month Period Ended June 30, 2016 (unaudited)	Six Month Period Ended June 30, 2015 (unaudited)
Available Days ⁽¹⁾	2,821	2,659	5,642	5,431
Operating Days ⁽²⁾	2,805	2,659	5,625	5,428
Fleet Utilization ⁽³⁾	99.85%	100.0%	99.91%	100.0%
Time Charter Equivalent (per day)	\$ 16,005	\$ 20,679	\$ 15,764	\$ 20,248
Vessels operating at period end	31	31	31	31

- (1) Available days for the fleet represent total calendar days the vessels were in Navios Partners' possession for the relevant period after subtracting off-hire days associated with scheduled repairs, dry dockings or special surveys. The shipping industry uses available days to measure the number of days in a relevant period during which a vessel is capable of generating revenues.
- (2) Operating days is the number of available days in the relevant period less the aggregate number of days that the vessels are off-hire due to any reason, including unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a relevant period during which vessels actually generate revenues.
- (3) Fleet utilization is the percentage of time that Navios Partners' vessels were available for revenue generating available days, and is determined by dividing the number of operating days during a relevant period by the number of available days during that period. The shipping industry uses fleet utilization to measure efficiency in finding employment for vessels and minimizing the amount of days that its vessels are off-hire for reasons other than scheduled repairs, drydockings or special surveys.
- (4) TCE rates: TCE rates are defined as voyage and time charter revenues less voyage expenses during a period divided by the number of available days during the period. The TCE rate is a standard shipping industry performance measure used primarily to present the actual daily earnings generated by vessels on various types of charter contracts for the number of available days of the fleet.

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The following table presents consolidated revenue and expense information for the three and six month periods ended June 30, 2016 and 2015.

	Three Month Period Ended June 30, 2016 (unaudited)	Three Month Period Ended June 30, 2015 (unaudited)	Six Month Period Ended June 30, 2016 (unaudited)	Six Month Period Ended June 30, 2015 (unaudited)
Time charter and voyage revenues (includes related party revenue of \$(3,135) and \$1,171 for the three and six months ended June 30, 2016, respectively, and \$7,723 and \$14,133 for the three and six months ended June 30, 2015, respectively)	\$ 44,877	\$ 56,473	\$ 90,518	\$ 113,259
Time charter and voyage expenses	(1,962)	(1,477)	(3,811)	(4,948)
Direct vessel expenses	(1,526)	(757)	(2,990)	(1,294)
Management fees (entirely through related parties transactions)	(14,719)	(14,141)	(29,439)	(27,542)
General and administrative expenses	(2,611)	(1,949)	(5,099)	(3,824)
Depreciation and amortization	(18,809)	(19,045)	(37,614)	(37,144)
Impairment loss	(17,193)		(17,193)	
Interest expense and finance cost	(8,369)	(7,601)	(16,033)	(16,102)
Interest income	92	46	164	99
Other income/ (expense), net	3,413	(194)	4,899	(270)
Net (loss)/ income	\$ (16,807)	\$ 11,355	\$ (16,598)	\$ 22,234