

INTERNATIONAL SHIPPING ENTERPRISES, INC.

Form S-4/A

July 15, 2005

Table of Contents

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JULY 15, 2005

REGISTRATION NO. 333-124170

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**PRE-EFFECTIVE AMENDMENT NO. 3**

**TO**

**FORM S-4**

**REGISTRATION STATEMENT**

*UNDER*

*THE SECURITIES ACT OF 1933*

**INTERNATIONAL SHIPPING ENTERPRISES, INC.**

**NAVIOS MARITIME HOLDINGS INC.**

(Exact name of registrant and co-registrant as specified in their charters)

**DELAWARE**

**57-1212493**

**REPUBLIC OF**

**98-0384348**

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer

**MARSHALL ISLANDS**

(I.R.S. Employer  
Identification No.)

Identification No.)

(State or other jurisdiction of  
incorporation or organization)

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**6770**

(Primary Standard Industrial

Classification Code Number)

**1225 FRANKLIN AVENUE, SUITE 325, GARDEN CITY, NEW YORK 11530 (516) 240-8025**

(Address, including zip code, and telephone number,

including area code of registrant s and co-registrant s principal executive offices)

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**Angeliki Frangou**

**Chief Executive Officer**

**c/o International Shipping Enterprises, Inc.**

1225 Franklin Avenue, Suite 325 Garden City, New York 11530

(516) 240-8025

(Name, address, including zip code, and telephone number,

including area code of agent for service)

**WITH COPIES TO:**

**Kenneth R. Koch, Esq.**

**Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.**

**666 Third Avenue**

**New York, New York 10017**

**(212) 935-3000**

**APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:** As soon as practicable after this Registration Statement becomes effective and upon consummation of the transactions described in the enclosed prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

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

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

**CALCULATION OF REGISTRATION FEE**

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	MAXIMUM AMOUNT TO BE REGISTERED <sup>(1)</sup>	PROPOSED MAXIMUM OFFERING PRICE PER SHARE <sup>(2)</sup>	PROPOSED AGGREGATE OFFERING PRICE <sup>(2)</sup>	AMOUNT OF REGISTRATION FEE
Common Stock, par value \$0.0001 per share	39,900,000 shares	\$ 5.83	\$ 232,617,000	\$ 27,380 <sup>(3)</sup>

- (1) This Registration Statement covers the maximum number of shares of common stock, par value \$0.0001, that will be issued by Navios Maritime Holdings Inc., the company that will be International Shipping's wholly-owned subsidiary immediately after the acquisition of Navios Maritime Holdings Inc., which will then be a wholly-owned subsidiary, and immediately prior to the reincorporation, all as described herein. At the time of the reincorporation, these shares will be issued by Navios Maritime Holdings Inc. in connection with the merger of International Shipping into its then wholly-owned subsidiary, the co-registrant, in order to effectuate the reincorporation of International Shipping.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f)(1) and (3) and Rule 457(c) of the Securities Act, based on the market value of the registrant's common stock to be issued in the reincorporation merger, as established by the average of the high and low sale prices of the registrant's common stock on April 15, 2005 on the Over-the-Counter Bulletin Board, which was \$5.83, and the maximum number of shares of common stock of what will be the registrant's wholly-owned subsidiary to be issued.
- (3) Previously paid.

**THE REGISTRANTS HEREBY AMEND THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANTS SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.**

**Table of Contents**

**INTERNATIONAL SHIPPING ENTERPRISES, INC.**

**1225 Franklin Avenue**

**Suite 325**

**Garden City, New York 11530**

**NAVIOS MARITIME HOLDINGS INC.**

PROXY STATEMENT FOR SPECIAL MEETING OF SHAREHOLDERS OF

INTERNATIONAL SHIPPING ENTERPRISES, INC.

PROSPECTUS FOR UP TO 39,900,000 COMMON SHARES

OF NAVIOS MARITIME HOLDINGS INC., AS SUCCESSOR BY MERGER TO

INTERNATIONAL SHIPPING ENTERPRISES, INC.

To the Stockholders of International Shipping Enterprises, Inc. ( ISE ):

You are cordially invited to attend a special meeting of the stockholders of International Shipping Enterprises, Inc., or ISE, relating to the proposed acquisition of Navios Maritime Holdings Inc. by ISE and the reincorporation of ISE from the State of Delaware to the Republic of the Marshall Islands, which will be held at 10:00 a.m., eastern time, on [ ], 2005, at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., 666 Third Avenue, New York, New York 10017.

At this important meeting, you will be asked to consider and vote upon the following proposals:

to approve the acquisition of Navios Maritime Holdings Inc., or Navios, a Marshall Islands corporation, pursuant to the Stock Purchase Agreement, dated as of February 28, 2005, by and among ISE, Navios, the shareholders agent and the shareholders of Navios, and the transactions contemplated by the stock purchase agreement, whereby ISE will purchase all of the outstanding securities held by the shareholders of Navios;

to approve the reincorporation of ISE pursuant to which ISE will change its domicile from the State of Delaware to the Republic of the Marshall Islands by means of a merger with Navios immediately following the acquisition; and

to transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The affirmative vote of a majority of the shares of ISE s common stock issued in ISE s initial public offering that are present in person or by proxy and entitled to vote at the meeting is required to approve the acquisition proposal. The affirmative vote of a majority of the outstanding shares of ISE s common stock is required to approve the reincorporation proposal. In addition, each ISE stockholder that holds shares of common stock issued in ISE s initial public offering or purchased following such offering in the open market has the right to vote against the acquisition

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proposal and, at the same time, demand that ISE convert such stockholder's shares into cash equal to a pro rata portion, or \$5.51 per share plus interest, of the trust account in which a substantial portion of the net proceeds of ISE's initial public offering is deposited. If the acquisition is not completed, then your shares will not be converted to cash at this time, even if you so elected. However, if the holders of 6,555,000 or more shares of common stock issued in ISE's initial public offering, an amount equal to 20% or more of the total number of shares issued in the initial public offering, vote against the acquisition and demand conversion of their shares into a pro rata portion of the trust account, then ISE will not be able to consummate the acquisition. ISE's initial stockholders, including all of its directors and officers and their affiliates, who purchased shares of common stock prior to ISE's initial public offering and presently own an aggregate of approximately 30% of the outstanding shares of ISE common stock, have agreed to vote such shares acquired prior to the public offering (approximately 18% of the outstanding common stock) in accordance with the vote of the majority in interest of all other ISE stockholders on the acquisition proposal. The initial stockholders of ISE, including all of its directors and officers and their affiliates, are entitled to vote the shares acquired by them in or subsequent to the initial public offering as they see fit and have indicated that they will vote the shares acquired by them in or subsequent to the initial public offering, representing approximately 12% of the outstanding common stock, in favor of both the acquisition and reincorporation proposals. This percentage could increase to approximately 16% in the event Ms. Frangou were to purchase up to \$20 million of shares of common stock in the open market, as she has previously indicated her intent to do so, assuming a current market price of \$5.90.

**Table of Contents**

ISE may consummate the acquisition proposal if the reincorporation proposal is not approved. However, the reincorporation proposal will not be implemented if the acquisition proposal is not approved.

ISE's shares of common stock, warrants and units are listed on the Over-the-Counter Bulletin Board under the symbols ISHP, ISHPW and ISHPU, respectively. The securities of Navios are not listed or quoted on any national securities exchange, the Nasdaq Stock Market, or the Over-the-Counter Bulletin Board. If the acquisition and reincorporation proposals are approved, the operations and assets of Navios will become those of ISE and ISE's name will be changed to Navios Maritime Holdings Inc. upon consummation of the acquisition and reincorporation.

After careful consideration of the terms and conditions of the proposed acquisition of Navios and the reincorporation of ISE, the board of directors of ISE has determined that such acquisition and reincorporation and the transactions contemplated thereby are fair to and in the best interests of ISE and its stockholders. The board of directors of ISE unanimously recommends that you vote or give instruction to vote FOR the proposal to acquire Navios pursuant to the stock purchase agreement by and among ISE, Navios, the shareholders agent and the shareholders of Navios, and FOR the adoption of the proposal to reincorporate ISE from the State of Delaware to the Republic of the Marshall Islands.

Enclosed is a notice of special meeting and proxy statement/prospectus containing detailed information concerning the reincorporation and the acquisition. Whether or not you plan to attend the special meeting, we urge you to read this material carefully. I look forward to seeing you at the meeting.

Sincerely,

Angeliki Frangou

Chairman of the Board,

President and Chief Executive Officer

**YOUR VOTE IS IMPORTANT. WHETHER YOU PLAN TO ATTEND THE SPECIAL MEETING OR NOT, PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD AS SOON AS POSSIBLE IN THE ENVELOPE PROVIDED.**

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROXY STATEMENT/PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**SEE THE SECTION TITLED RISK FACTORS BEGINNING ON PAGE 10 FOR A DISCUSSION OF VARIOUS FACTORS THAT YOU SHOULD CONSIDER IN CONNECTION WITH THE ACQUISITION OF NAVIOS SINCE, UPON THE ACQUISITION OF NAVIOS AND SUBSEQUENT REINCORPORATION OF ISE, THE OPERATIONS AND ASSETS OF ISE WILL BE THOSE OF NAVIOS.**

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This proxy statement/prospectus incorporates important business and financial information about International Shipping Enterprises, Inc. and Navios Maritime Holdings Inc. that is not included in or delivered with the document. This information is available without charge to security holders upon written or oral request. The request should be sent to:

Avisheh Avini

c/o International Shipping Enterprises, Inc.

1225 Franklin Ave., Suite 325

Garden City, New York 11530

(516) 240-8025

**Table of Contents**

To obtain timely delivery of requested materials, security holders must request the information no later than five days before the date they submit their proxies or attend the special meeting. The latest date to request the information to be received timely is \_\_\_\_\_, 2005.

We are soliciting the enclosed proxy card on behalf of the board of directors, and we will pay all costs of preparing, assembling and mailing the proxy materials. In addition to mailing out proxy materials, our officers may solicit proxies by telephone or fax, without receiving any additional compensation for their services. We have requested brokers, banks and other fiduciaries to forward proxy materials to the beneficial owners of our stock. We have engaged Georgeson Shareholder Communications, Inc. to solicit proxies for this special meeting. We are paying Georgeson \$7,500 at the start of the solicitation and we may pay additional fees after the solicitation depending on the services we use, plus certain of Georgeson's out-of-pocket expenses.

This proxy statement/prospectus is dated [ \_\_\_\_\_ ], 2005 and is first being mailed to ISE stockholders on or about [ \_\_\_\_\_ ], 2005.

**Table of Contents**

**International Shipping Enterprises, Inc.**

**1225 Franklin Avenue**

**Suite 325**

**Garden City, New York 11530**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON [                      ], 2005**

TO THE STOCKHOLDERS OF INTERNATIONAL SHIPPING ENTERPRISES, INC.:

NOTICE IS HEREBY GIVEN that, a special meeting of stockholders, including any adjournments or postponements thereof, of International Shipping Enterprises, Inc., a Delaware corporation, will be held at 10:00 a.m. eastern time, on [                      ], 2005, at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., 666 Third Avenue, New York, New York 10017, for the following purposes:

to consider and vote upon a proposal to acquire Navios Maritime Holdings Inc., or Navios, pursuant to the Stock Purchase Agreement, dated as of February 28, 2005, by and among ISE, Navios, the shareholders agent and the shareholders of Navios;

to consider and vote upon a proposal to reincorporate International Shipping Enterprises, Inc., or ISE, from the State of Delaware to the Republic of the Marshall Islands by means of a merger with Navios immediately following the acquisition; and

to consider and vote upon such other business as may properly come before the meeting or any adjournment or postponement thereof.

The board of directors has fixed the close of business on [                      ], 2005 as the date for which ISE stockholders are entitled to receive notice of, and to vote at, the ISE special meeting and any adjournments or postponements thereof. Only the holders of record of ISE common stock on that date are entitled to have their votes counted at the ISE special meeting and any adjournments or postponements thereof.

ISE will not transact any other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement by ISE's board of directors.

Your vote is important. Please sign, date and return your proxy card as soon as possible to make sure that your shares are represented at the special meeting. If you are a stockholder of record of ISE common stock, you may also cast your vote in person at the special meeting. If your shares are held in an account at a brokerage firm or bank, you must instruct your broker or bank on how to vote your shares.

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ISE may consummate the acquisition proposal if the reincorporation proposal is not approved, but then ISE, as Navios, will not be able to continue enjoying the various regulatory, financial and tax benefits that would otherwise be available to ISE as a Marshall Islands corporation. However, the reincorporation proposal will not be implemented if the acquisition proposal is not approved. The board of directors of ISE unanimously recommends that you vote FOR the acquisition proposal and FOR the adoption of the reincorporation proposal.

By Order of the Board of Directors,

Angeliki Frangou

Chairman of the Board,

President and Chief Executive Officer

[            ], 2005

**Table of Contents**

International Shipping Enterprises, Inc.

Navios Maritime Holdings Inc.

PROXY STATEMENT FOR SPECIAL MEETING OF SHAREHOLDERS OF  
INTERNATIONAL SHIPPING ENTERPRISES, INC.

PROSPECTUS FOR UP TO 39,900,000 COMMON SHARES  
OF NAVIOS MARITIME HOLDINGS INC., AS SUCCESSOR BY MERGER TO  
INTERNATIONAL SHIPPING ENTERPRISES, INC.

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The board of directors of International Shipping Enterprises, Inc. ( "ISE" ) has unanimously approved the acquisition of Navios Maritime Holdings Inc. ( "Navios" ) pursuant to a stock purchase agreement whereby ISE will purchase all of the outstanding securities held by the shareholders of Navios. Furthermore, it has unanimously approved the reincorporation of ISE from the State of Delaware to the Republic of the Marshall Islands, through a merger with Navios such that the merged corporation will be incorporated under, and subject to, the laws of the Republic of the Marshall Islands.

If the acquisition is completed, you will continue to hold the ISE securities that you currently own, and will not receive any of the cash paid in connection with the acquisition. ISE is simply acquiring all of the outstanding securities of Navios. The shareholders of Navios will receive all of the cash being paid by ISE in the acquisition. However, in connection with the reincorporation, you will receive an equal number of shares of common stock of Navios Maritime Holdings Inc., which will be the name of ISE following the acquisition and reincorporation, in exchange for your ISE common stock. Navios Maritime Holdings Inc. will also assume the outstanding ISE warrants, the terms and conditions of which will not change, except that, upon exercise, warrant holders will receive shares of common stock of Navios Maritime Holdings Inc., the newly acquired and reincorporated company.

ISE was organized to serve as a vehicle for the acquisition of one or more vessels or of an operating business in the dry bulk sector of the shipping industry. Navios is an integrated international dry bulk shipping owner and operator specializing in the worldwide carriage, trading, storing and other related logistics of international dry bulk cargo transportation. Navios also owns the largest bulk transfer and storage facility in Uruguay. We believe that Navios occupies a unique competitive position in the international dry bulk shipping industry and provides a solid platform for ISE's plans for expansion and consolidation within this industry. As a result, we believe that the acquisition of Navios will provide you with an opportunity to acquire, and participate in, a company with significant growth potential. We also believe that, for a variety of regulatory, financial and tax reasons, the Marshall Islands is an attractive country of incorporation for international shipping companies. As a Marshall Islands corporation, Navios has had the benefit of these advantages, and we believe the reincorporation will permit us to take advantage of such benefits.

ISE's common stock, warrants and units are currently listed on the Over-the-Counter Bulletin Board under the symbols ISHP, ISHPW and ISHPU, respectively. The securities of Navios are not listed or quoted on any national securities exchange, the Nasdaq Stock Market, or the Over-the-Counter Bulletin Board. Upon consummation of the acquisition and reincorporation, the operations and assets of Navios will become those of ISE and ISE's name will be changed to Navios Maritime Holdings Inc. Our common stock will continue to be traded on the Over-the-Counter Bulletin Board.

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We believe that generally, for U.S. federal income tax purposes, the purchase of the shares of the stock of Navios by ISE, followed by the merger of ISE into Navios, should be treated as the direct purchase of the Navios shares by the shareholders of ISE, and that the separate existence of Navios should be ignored for federal income tax purposes. Accordingly, we do not believe that the merger of ISE into Navios will result in the recognition of gain or loss to ISE or its shareholders. **WE URGE YOU TO CONSULT YOUR OWN TAX ADVISORS REGARDING YOUR PARTICULAR TAX CONSEQUENCES.**

**Table of Contents**

This proxy statement/prospectus provides you with detailed information about the acquisition and reincorporation and the special meeting of shareholders. We encourage you to carefully read this entire document and the documents incorporated by reference. **YOU SHOULD ALSO CAREFULLY CONSIDER THE RISK FACTORS BEGINNING ON PAGE 10.**

The acquisition of Navios cannot be completed unless at least a majority of the shares of ISE's common stock issued in ISE's initial public offering, present in person or by proxy and entitled to vote at the special meeting as of [ ], 2005, approve the acquisition. The reorganization cannot be completed unless at least a majority of outstanding shares of ISE's common stock, present in person or by proxy and entitled to vote at the special meeting as of [ ], 2005, approve the reorganization.

Your board of directors unanimously approved and declared advisable the acquisition and the reincorporation and unanimously recommends that you vote or instruct your vote to be cast FOR the approval of the acquisition proposal and FOR the approval of the reincorporation proposal.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROXY STATEMENT/PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This proxy statement/prospectus incorporates important business and financial information about International Shipping Enterprises, Inc. and Navios Maritime Holdings Inc. that is not included in or delivered with the document. This information is available without charge to security holders upon written or oral request. The request should be sent to:

Avisheh Avini

c/o International Shipping Enterprises, Inc.

1225 Franklin Ave., Suite 325

Garden City, New York 11530

(516) 240-8025

To obtain timely delivery of requested materials, security holders must request the information no later than five days before the date they submit their proxies or attend the special meeting. The latest date to request the information to be received timely is [ ], 2005.

We are soliciting the enclosed proxy card on behalf of the board of directors, and we will pay all costs of preparing, assembling and mailing the proxy materials. In addition to mailing out proxy materials, our officers may solicit proxies by telephone or fax, without receiving any additional compensation for their services. We have requested brokers, banks and other fiduciaries to forward proxy materials to the beneficial owners of our stock. We have engaged Georgeson Shareholder Communications, Inc. to solicit proxies for this special meeting. We are paying Georgeson \$7,500 at the start of the solicitation and we may pay additional fees after the solicitation depending on the services we use, plus certain of

Georgeson's out-of-pocket expenses.

THIS PROXY STATEMENT/PROSPECTUS IS DATED [            ], 2005, AND IS FIRST BEING MAILED TO ISE SHAREHOLDERS ON  
OR ABOUT [            ], 2005.

**Table of Contents**

**TABLE OF CONTENTS**

	<b>Page</b>
<u>QUESTIONS AND ANSWERS ABOUT THE PROPOSALS</u>	v
<u>SUMMARY</u>	1
<u>SELECTED HISTORICAL FINANCIAL INFORMATION</u>	7
<u>Navios Historical Financial Information</u>	7
<u>ISE Historical Financial Information</u>	8
<u>PER SHARE MARKET PRICE INFORMATION</u>	10
<u>RISK FACTORS</u>	10
<u>Risks Associated with the Shipping Industry</u>	10
<u>Risks Associated with the Acquisition</u>	14
<u>Risks Associated with Taxation</u>	20
<u>FORWARD-LOOKING STATEMENTS</u>	22
<u>THE ISE SPECIAL MEETING</u>	23
<u>The ISE Special Meeting</u>	23
<u>Date, Time and Place</u>	23
<u>Purpose of the Special Meeting</u>	23
<u>Record Date: Who is Entitled to Vote</u>	23
<u>Voting Your Shares</u>	24
<u>Who Can Answer Your Questions About Voting Your Shares</u>	24
<u>No Additional Matters May Be Presented at the Special Meeting</u>	24
<u>Revoking Your Proxy</u>	24
<u>Vote Required</u>	24
<u>Abstentions and Broker Non-Votes</u>	25
<u>Conversion Rights</u>	25
<u>Solicitation Costs</u>	25
<u>Stock Ownership</u>	26
<u>THE ACQUISITION PROPOSAL</u>	27
<u>General Description of the Acquisition</u>	27
<u>Background of the Acquisition</u>	27
<u>Interest of ISE Directors and Officers in the Acquisition</u>	29
<u>Acquisition Financing</u>	30
<u>ISE's Reasons for the Acquisition and Recommendation of the ISE Board</u>	30
<u>Navios's Successful Record of Growth and Expansion and High Potential for Future Growth</u>	30
<u>The Experience of Navios's Management</u>	31
<u>The Terms of the Stock Purchase Agreement</u>	31
<u>Fairness Opinion</u>	31
<u>Navios Financial Performance Review</u>	34
<u>Valuation Overview</u>	34
<u>Selected Comparable Company Analysis</u>	34
<u>Discounted Cash Flow Analysis</u>	35
<u>Adjusted Net Asset Value Analysis</u>	35
<u>Owned Vessels</u>	36
<u>Chartered-in Fleet</u>	36
<u>Vessel Purchase Options</u>	36
<u>Short-Term Chartering COAs and Risk Management</u>	36
<u>Uruguay Port</u>	36
<u>Discounted Cash Flow Analysis</u>	37
<u>Comparable Company Analysis</u>	37
<u>Appraisal or Dissenters Rights</u>	37

**Table of Contents**

	<u>Page</u>
<u>United States Federal Income Tax Consequences of the Acquisition</u>	37
<u>Regulatory Matters</u>	37
<u>Consequences if Acquisition Proposal is Not Approved</u>	38
<u>Required Vote</u>	38
<u>Recommendation</u>	38
<b><u>THE STOCK PURCHASE AGREEMENT</u></b>	39
<u>Structure of the Acquisition</u>	39
<u>Purchase Price-Payment</u>	39
<u>Deposit; Adjustment Deposit</u>	39
<u>EBITDA-Purchase Price Adjustment</u>	39
<u>Closing of the Acquisition</u>	40
<u>Representations and Warranties</u>	40
<u>Materiality and Material Adverse Effect</u>	41
<u>Interim Covenants Relating to Navios</u>	41
<u>No Solicitation by Navios</u>	42
<u>No Solicitation by ISE</u>	42
<u>ISE Stockholders Meeting</u>	42
<u>Access to Information</u>	43
<u>Indemnification</u>	43
<u>Fees and Expenses</u>	43
<u>Public Announcements</u>	43
<u>Pre-Closing Confirmation</u>	43
<u>Conditions to the Completion of the Acquisition</u>	44
<u>Termination</u>	44
<u>Effect of Termination</u>	44
<u>Assignment</u>	45
<u>Amendment</u>	45
<u>Further Assurances</u>	45
<u>Shareholders Agent</u>	45
<b><u>EMPLOYMENT AGREEMENTS</u></b>	45
<u>Scope of Employment</u>	46
<u>Compensation</u>	46
<u>Fringe Benefits, Reimbursement of Expenses</u>	46
<u>Termination Benefits</u>	46
<b><u>THE REINCORPORATION PROPOSAL</u></b>	48
<u>General</u>	48
<u>Appraisal Rights</u>	48
<u>Merger Agreement</u>	50
<u>Comparison of Stockholder Rights</u>	51
<u>Marshall Islands Tax Considerations</u>	53
<u>Federal Income Tax Consequences</u>	53
<u>United States Federal Income Tax Considerations of the Acquisition and Reincorporation</u>	54
<u>United States Federal Income Taxation of US Holders</u>	55
<u>United States Federal Income Taxation of Non-US Holders</u>	56
<u>Backup Withholding and Information Reporting</u>	57
<u>Enforceability of Civil Liabilities</u>	58
<u>Consequences if Reincorporation Proposal is Not Approved</u>	58
<u>Required Vote</u>	58
<u>Recommendation</u>	58

**Table of Contents**

	<u>Page</u>
<u>INFORMATION ABOUT NAVIOS</u>	59
<u>Introduction</u>	59
<u>The International Dry Bulk Shipping Industry</u>	59
<u>Navios Maritime Holdings Inc.</u>	67
<u>Business Strategy</u>	70
<u>Competitive Advantages</u>	71
<u>Shipping Operations</u>	71
<u>Port and Terminal Operations</u>	75
<u>Customers</u>	79
<u>Competition</u>	79
<u>Governmental and Other Regulations</u>	80
<u>Risk of Loss and Liability Insurance</u>	81
<u>Risk Management</u>	82
<u>Legal Proceedings</u>	82
<u>Crewing and Shore Employees</u>	83
<u>Facilities</u>	83
<u>Quantitative and Qualitative Disclosures about Market Risk</u>	83
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF NAVIOS</u>	86
<u>Overview</u>	86
<u>Factors Affecting Navios's Results of Operations</u>	87
<u>Results of Operations</u>	89
<u>Statement of Operations Breakdown by Segment</u>	90
<u>For the three months ended March 31, 2005 compared to the three months ended March 31, 2004</u>	91
<u>For the year ended December 31, 2004 compared to the year ended December 31, 2003</u>	96
<u>For the year ended December 31, 2003 compared to the year ended December 31, 2002</u>	98
<u>Concentration of Credit Risk</u>	104
<u>Effects of Inflation</u>	104
<u>Off-Balance Sheet Arrangements</u>	104
<u>Recently Issued Accounting Standards</u>	104
<u>Critical Accounting Policies</u>	105
<u>Related Party Transactions</u>	106
<u>INFORMATION ABOUT ISE</u>	107
<u>Business of ISE</u>	107
<u>General</u>	107
<u>Effecting a Business Combination</u>	107
<u>Competition</u>	109
<u>Facilities</u>	110
<u>Employees</u>	110
<u>Periodic Reporting and Audited Financial Statements</u>	110
<u>Legal Proceedings</u>	110
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations of ISE</u>	110
<u>UNAUDITED PRO FORMA CONDENSED FINANCIAL STATEMENTS</u>	112
<u>DIRECTORS AND MANAGEMENT OF ISE FOLLOWING THE ACQUISITION OF NAVIOS AND REINCORPORATION</u>	121
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	125
<u>BENEFICIAL OWNERSHIP OF SECURITIES</u>	126
<u>PRICE RANGE OF SECURITIES AND DIVIDENDS</u>	127
<u>ISE</u>	127
<u>Navios</u>	128

**Table of Contents**

	<b><u>Page</u></b>
<b><u>DESCRIPTION OF SECURITIES</u></b>	128
<u>General</u>	128
<u>Units</u>	128
<u>Common stock</u>	129
<u>Preferred stock</u>	129
<u>Warrants</u>	130
<u>Transfer Agent and Warrant Agent</u>	130
<b><u>STOCKHOLDER PROPOSALS</u></b>	131
<b><u>EXPERTS</u></b>	131
<b><u>LEGAL MATTERS</u></b>	131
<b><u>WHERE YOU CAN FIND MORE INFORMATION</u></b>	131
<b><u>INDEX TO FINANCIAL STATEMENTS</u></b>	F-1
<b>ANNEXES</b>	
<u>Annex A Stock Purchase Agreement</u>	A-1
<u>Annex B Third Amended and Restated Articles of Incorporation and Bylaws</u>	B-1
<u>Annex C Plan and Agreement of Merger</u>	C-1
<u>Annex D Fairness Opinion of Capitalink</u>	D-1
<u>Annex E Form of Employment Agreement</u>	E-1

**Table of Contents**

**QUESTIONS AND ANSWERS ABOUT THE PROPOSALS**

**What is being voted on?**

There are two proposals on which you are being asked to vote. The first proposal is to approve the acquisition of Navios pursuant to a stock purchase agreement whereby ISE will purchase all of the outstanding securities held by the shareholders of Navios. We refer to this proposal as the acquisition proposal. The second proposal, assuming that the acquisition proposal is approved, is to approve the reincorporation of ISE from the State of Delaware to the Republic of the Marshall Islands through a merger with Navios such that the merged corporation will be incorporated under, and subject to the laws of the Republic of the Marshall Islands. We refer to this proposal as the reincorporation proposal.

**Why is ISE proposing the acquisition?**

ISE was organized to serve as a vehicle for the acquisition of one or more vessels or an operating business in the dry bulk sector of the shipping industry. Navios is an integrated international dry bulk shipping owner and operator specializing in the worldwide carriage, trading, storing and other related logistics of international dry bulk cargo transportation. Navios also owns the largest bulk transfer and storage facility in Uruguay. ISE believes that Navios occupies a unique competitive position in the international dry bulk shipping industry and provides a solid platform for ISE's plans for expansion and consolidation within this industry. As a result, ISE believes that the acquisition of Navios will provide ISE stockholders with an opportunity to acquire, and participate in, a company with significant growth potential. See page 30.

**Why is ISE proposing the reincorporation?**

For a variety of regulatory, financial and tax reasons, the Marshall Islands is an attractive country of incorporation for international shipping companies. As a Marshall Islands corporation, Navios has had the benefit of these advantages, and the reincorporation will permit ISE to take advantage of such benefits.

**What vote is required in order to approve the acquisition proposal?**

The approval of the acquisition of Navios will require the affirmative vote of a majority of the shares of ISE's common stock issued in ISE's initial public offering that are present in person or by proxy and entitled to vote at the meeting. In addition, each ISE stockholder who holds shares of common stock issued in ISE's initial public offering or purchased following such offering in the open market has the right to vote against the acquisition proposal and, at the same time, demand that ISE convert such stockholder's shares into cash equal to a pro rata portion of the trust account in which a substantial portion of the net proceeds of ISE's initial public offering is deposited. These shares will be converted into cash only if the acquisition is completed. Based on the amount of cash held in the trust account as of March 31, 2005, without taking into account any interest accrued, you will be entitled to convert each share of common stock that you hold into approximately \$5.51, or \$0.49 less than the per-unit offering price of \$6.00 for which you purchased units in the initial public offering. However, if the holders of 6,555,000 or more shares of common stock issued in ISE's initial public offering, an amount equal to 20% or more of the total number of shares issued in the initial public offering, vote against the acquisition and demand conversion of their shares into a pro rata portion of the trust account, then ISE will not be able to consummate the acquisition. In addition, ISE's initial stockholders, including all of its directors and officers, who purchased shares of common stock prior to ISE's initial public offering and presently, together with their affiliates, own an aggregate of approximately 30% of the outstanding shares of ISE common stock, have agreed to vote such shares acquired prior to the public offering (approximately 18% of the

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outstanding common stock) in accordance with the vote of the majority in interest of all other ISE stockholders on the acquisition proposal. The initial stockholders of ISE, including all of its directors and officers and their affiliates, are entitled to vote the shares acquired by them in or subsequent to the initial public offering as they see fit and have indicated that they will vote the shares acquired by them in or subsequent to the initial public offering, representing

v

## **Table of Contents**

approximately 12% of the outstanding common stock as of July 13, 2005, in favor of the acquisition proposal. On May 27, 2005, Angeliki Frangou filed a Schedule 13D indicating that she intended, subject to market conditions, to purchase up to an additional \$20 million of common stock. Since May 27, 2005 and as of July 13, 2005, she had acquired approximately \$10.0 million of common stock representing 1,773,500 shares of common stock which are reflected in the 30% and 12% figures referred to above. If Ms. Frangou spends the balance of the \$20 million, and assuming the market price of the common stock remains at \$5.90 per share, Ms. Frangou would acquire approximately an additional 1.7 million shares of common stock and the 30% and 12% would be 34% and 16%, respectively. No vote of the warrant holders is necessary to adopt the acquisition proposal, and ISE is not asking the warrant holders to vote on the acquisition proposal. The acquisition proposal may take place if the reincorporation proposal is not approved, but then ISE, as Navios, will not be able to continue enjoying the various regulatory financial and tax benefits that would otherwise be available to ISE as a Marshall Islands corporation.

### **What vote is required in order to approve the reincorporation proposal?**

The approval of the reincorporation from the State of Delaware to the Republic of the Marshall Islands will require the affirmative vote of a majority of the outstanding shares of ISE's common stock. An ISE stockholder who votes in favor of the reincorporation proposal is also voting to approve a plan and agreement of merger between ISE and what will then be, assuming approval of the acquisition, a wholly-owned Marshall Islands subsidiary, or Navios, pursuant to which ISE will file the plan and agreement of merger and articles of merger with the Republic of the Marshall Islands and a certificate of merger with the Secretary of State of the State of Delaware to effectuate the reincorporation. Upon consummation of such transactions, the operations and assets of Navios will become those of ISE, ISE will be a Marshall Islands corporation and ISE's name will then be Navios Maritime Holdings Inc. No vote of the warrant holders is necessary to adopt the reincorporation proposal, and ISE is not asking the warrant holders to vote on the reincorporation proposal. The reincorporation proposal will not be implemented if the acquisition proposal is not approved.

### **When do you expect the reincorporation to be completed?**

It is currently anticipated that the reincorporation will be completed immediately following the acquisition of Navios.

### **What will the name of the company be after the acquisition and reincorporation?**

Following the completion of the acquisition and reincorporation, the merged company's name will be Navios Maritime Holdings Inc.

### **What will I receive in the acquisition or in the reincorporation?**

Holders of ISE securities will continue to hold the ISE securities they currently own, and will not receive any of the cash paid in connection with the acquisition. ISE is simply acquiring all of the outstanding securities of Navios. The shareholders of Navios will receive all of the cash being paid by ISE in the acquisition. However, in connection with the reincorporation, ISE stockholders will receive an equal number of shares of common stock of Navios Maritime Holdings, Inc. which will be the name of ISE following the acquisition and reincorporation, in exchange for their ISE common stock. Navios Maritime Holdings Inc. will also assume the outstanding ISE warrants, the terms and conditions of which will not change, except that, upon exercise, warrant holders will receive shares of common stock of Navios Maritime Holdings Inc., the newly acquired and reincorporated company.

**How is ISE paying for the acquisition?**

ISE will use the proceeds from its recently completed initial public offering, as well as funds that will be available to ISE pursuant to a new senior secured credit facility with the institutional lender, HSH Nordbank AG, in order to finance the acquisition of Navios. In addition, Angeliki Frangou, ISE's Chairman, President and Chief

## **Table of Contents**

Executive Officer, has agreed to loan ISE the funds necessary to cover, until the closing, its transaction expenses in excess of the funds held outside the trust, which loans shall be repaid, without interest, at the closing of the acquisition with the funds made available to ISE or upon demand thereafter.

### **Do I have conversion rights in connection with the acquisition?**

If you hold shares of common stock issued in ISE's initial public offering, then you have the right to vote against the acquisition proposal and demand that ISE convert your shares of common stock into a pro rata portion of the trust account in which a substantial portion of the net proceeds of ISE's initial public offering are held. These rights to vote against the acquisition and demand conversion of the shares into a pro rata portion of the trust account, are sometimes referred to herein as conversion rights.

### **If I have conversion rights, how do I exercise them?**

If you wish to exercise your conversion rights, you must vote against the acquisition and, at the same time, demand that ISE convert your shares into cash. If, notwithstanding your vote, the acquisition is completed, then you will be entitled to receive a pro rata share of the trust account in which a substantial portion of the net proceeds of ISE's initial public offering are held, including any interest earned thereon through the date of the special meeting. Based on the amount of cash held in the trust account as of March 31, 2005, without taking into account any interest accrued, you will be entitled to convert each share of common stock that you hold into approximately \$5.51, or \$0.49 less than the per-unit offering price of \$6.00 for which you purchased units in the initial public offering. If you exercise your conversion rights, then you will be exchanging your shares of ISE common stock for cash and will no longer own these shares of common stock. You will only be entitled to receive cash for these shares if you continue to hold these shares through the closing date of the acquisition and then tender your stock certificate to ISE. If you convert your shares of common stock, you will still have the right to exercise the warrants received as part of the units. If the acquisition is not completed, then your shares will not be converted to cash at this time, even if you so elected. See page 25.

### **Do I have dissenter or appraisal rights in connection with the reincorporation?**

The ISE stockholders have appraisal rights under Delaware corporate law only in connection with the reincorporation proposal.

### **What happens to the funds deposited in the trust account after completion of the acquisition?**

Upon completion of the acquisition, any funds remaining in the trust fund after payment of amounts, if any, to stockholders requesting and exercising their conversion rights and amounts, will be used to fund the acquisition.

### **Who will manage ISE upon completion of the acquisition of Navios and subsequent reincorporation?**

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Upon completion of the acquisition and reincorporation, ISE will be managed by the following persons: Angeliki Frangou will be Chairman of the Board and Chief Executive Officer; Robert G. Shaw will be President; and Bruce C. Hoag will be Chief Financial Officer. The current board of directors of ISE will continue as the board of directors after the acquisition and reincorporation. The board of directors will consist of Angeliki Frangou (Chairman), Vasiliki Papaefthymiou, Spyridon Magoulas, Julian David Brynteson and John Stratakis.

### **What happens if the acquisition is not consummated?**

If the acquisition is not consummated, ISE will continue to search for either a fleet of dry bulk carriers or another operating company to acquire in the dry bulk sector of the shipping industry. However, ISE will be liquidated if it does not consummate a business combination by December 16, 2005 or, if a letter of intent,

## **Table of Contents**

agreement in principle or definitive agreement is executed, but not consummated, by December 16, 2005, then by June 16, 2006. In any liquidation, the net proceeds of ISE's initial public offering held in the trust account, plus any interest earned thereon, will be distributed pro rata to the holders of ISE's common stock. In addition, if ISE does not acquire Navios pursuant to the terms of the stock purchase agreement, the right to acquire Navios may be assigned to an affiliate, which could include Angeliki Frangou and members of her family.

### **When do you expect the acquisition to be completed?**

It is currently anticipated that the acquisition will be completed promptly following the ISE special meeting of stockholders on [                      ], 2005 and immediately prior to the reincorporation of ISE.

### **If I am not going to attend the ISE special meeting of stockholders in person, should I return my proxy card instead?**

Yes. After carefully reading and considering the information contained in this proxy statement/prospectus, please complete and sign your proxy card. Then return the enclosed proxy card in the return envelope provided herewith as soon as possible, so that your shares may be represented at the ISE special meeting.

### **What will happen if I abstain from voting or fail to vote?**

An abstention or failure to vote (i) (a) will have no effect on the acquisition proposal and (b) will not have the effect of converting your shares into a pro rata portion of the trust account in which a substantial portion of the net proceeds of ISE's initial public offering are held, unless an affirmative election to convert such shares of common stock is made on the proxy card, and (ii) will have the same effect as a vote against the reincorporation proposal.

### **What do I do if I want to change my vote?**

If you wish to change your vote, please send a later-dated, signed proxy card to Avisheh Avini at ISE prior to the date of the special meeting or attend the special meeting and vote in person. You also may revoke your proxy by sending a notice of revocation to Avisheh Avini at the address of ISE's corporate headquarters.

### **If my shares are held in    street name    by my broker, will my broker vote my shares for me?**

No. Your broker can vote your shares only if you provide instructions on how to vote. You should instruct your broker to vote your shares in accordance with directions provided by your broker.

**Do I need to turn in my old certificates?**

No. If you hold your securities in ISE in certificate form, as opposed to holding them through your broker, you do not need to exchange them for certificates issued by Navios Maritime Holdings Inc., the company that will be existing after the acquisition and reincorporation. Your current certificates will represent your rights in Navios Maritime Holdings Inc., the newly acquired and reincorporated company. You may exchange them by contacting the transfer agent, Continental Stock Transfer & Trust Company, Reorganization Department, and following their requirements for reissuance. If you elect conversion or appraisal, you will need to deliver your old certificates to ISE.

**Who can help answer my questions?**

If you have questions about the acquisition or reincorporation, you may write or call International Shipping Enterprises, Inc., 1225 Franklin Ave., Suite 325, Garden City, New York 11530, (516) 240-8025, Attention: Avisheh Avini.

## **Table of Contents**

### **SUMMARY**

This summary discusses the material items of the acquisition proposal and the reincorporation proposal, which are described in greater detail elsewhere in this proxy statement/prospectus. You should carefully read this entire proxy statement/prospectus and the other documents to which this proxy statement/prospectus refers you. See *Where You Can Find More Information*.

#### **Acquisition of Navios**

*Navios Maritime Holdings Inc.*

Navios is one of the leaders in seaborne shipping, specializing in the worldwide carriage, trading, storing, and other related logistics of international dry bulk cargo transportation. For over 50 years, Navios has worked with raw materials producers, agricultural traders and exporters, industrial end-users, shipowners, and charterers and, more recently, acquired an in-house technical ship management expertise. Navios's core fleet, the average age of which is approximately 3.5 years, consists of a total of 28 vessels, aggregating approximately 1.8 million deadweight tons or dwt. Navios owns six modern Ultra-Handymax (50,000-55,000 dwt) vessels and operates 22 Panamax (70,000-83,000 dwt) and Ultra-Handymax vessels under long-term time charters, 15 of which are currently in operation, with the remaining seven scheduled for delivery at various times over the next two years. Navios has options, many of which are in the money, to acquire 13 of the 22 time chartered vessels. The owned vessels have a substantial net asset value, and the vessels controlled under the in-charters are at rates well below the current market. Operationally, Navios has, at various times over the last two years, deployed over 50 vessels at any one time, including its core fleet.

Navios also owns and operates the largest bulk transfer and storage facility in Uruguay. While a relatively small portion of Navios's overall enterprise, ISE believes that this terminal is a stable business with strong growth and integration prospects.

As used above and throughout this proxy statement/prospectus, Navios's core fleet means: (1) the six ultra-handymax vessels that Navios owns, and (2) the panamax and ultra handymax vessels that Navios, as a charterer, employs commercially under long-term charters, which are charters of more than 12 months in duration. Navios also time charters vessels. Time chartered vessels are vessels that are placed at the charterer's disposal for a set period of time during which the charterer uses the vessels in return for the payment of a daily specified hire. Under time charters, operating costs such as crew, maintenance and insurance are typically paid by the owner of the vessel and fuel and port costs are paid by the time charterer. Navios has options to purchase some of the chartered vessels and the option is referred to as in the money, when the price to exercise an option and purchase a vessel is below the current market values for the vessel.

The principal executive office of Navios Maritime Holdings Inc. is located at 20 Marshall St., South Norwalk, Connecticut 06854, (203) 345-1300. The principal executive office of International Shipping Enterprises, Inc. is located at 1225 Franklin Ave., Suite 325, Garden City, New York 11530, (516) 240-8025.

#### **The Acquisition**

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The stock purchase agreement provides for the acquisition by ISE of all of the outstanding shares of capital stock of Navios. The stock purchase agreement was executed on February 28, 2005. Following completion of the acquisition (and prior to the reincorporation), Navios will be our wholly-owned subsidiary and the business and assets of Navios will be our only operations. In the acquisition, all of the outstanding securities of Navios will be purchased by ISE for a cash payment of \$607.5 million, subject to adjustments provided for in the stock purchase agreement. The acquisition will be financed through a combination of the approximately \$180.0 million raised in ISE's initial public offering and currently held in the trust fund, with the balance to be funded by the new \$520.0 million secured credit facility that will be made available to ISE by HSH Nordbank AG.

## **Table of Contents**

ISE, Navios, the shareholders agent and the shareholders of Navios plan to complete the acquisition promptly after the ISE special meeting, provided that:

ISE's stockholders have approved the stock purchase agreement;

holders of less than 20% of the shares of common stock issued in ISE's initial public offering vote against the acquisition proposal and demand conversion of their shares into cash; and

the other conditions specified in the stock purchase agreement have been satisfied or waived.

If ISE stockholder approval has not been obtained at that time or any other conditions have not been satisfied or waived, the acquisition will be completed promptly after the stockholder approval is obtained or the remaining conditions are satisfied or waived. If for whatever reason ISE does not acquire Navios, pursuant to the stock purchase agreement, the right to acquire Navios may be assigned to an affiliate, which could include Angeliki Frangou and members of her family.

The stock purchase agreement is included as Annex A to this proxy statement/prospectus. We encourage you to read the stock purchase agreement in its entirety. See [Stock Purchase Agreement](#).

## **Reincorporation to the Republic of the Marshall Islands**

Effective as of April 8, 2005, the board of directors approved the reincorporation of ISE from the State of Delaware to the Republic of the Marshall Islands by means of a merger with Navios which, upon completion of the acquisition of Navios, will be a Marshall Islands wholly-owned subsidiary of ISE. Many of Navios's competitors are, and Navios itself is, incorporated in the Marshall Islands. Accordingly, Navios and others operating in the industry with whom Navios competes or deals have developed a level of comfort in dealing with Marshall Islands corporations. In addition, given the international nature of Navios's business, it makes sense from an international regulatory and an international tax planning basis to continue to be incorporated in the jurisdiction in which all of Navios's regulatory and tax planning have been historically based.

Navios's amended and restated articles of incorporation and bylaws that will be filed by ISE with the Republic of the Marshall Islands in connection with the reincorporation of ISE in to the Marshall Islands will be in substantially the form attached hereto as Annex B to this proxy statement/prospectus. The amended and restated articles of incorporation and bylaws that will be filed will be the governing corporate documents of the merged company of which you will be a stockholder. In addition, the plan and agreement of merger pursuant to which ISE will change its domicile and reincorporate from the State of Delaware to the Republic of the Marshall Islands will be in substantially the form attached hereto as Annex C to this proxy statement/prospectus. We encourage you to read the amended and restated articles of incorporation, bylaws and the plan and agreement of merger in their entirety. See [Reincorporation to the Republic of the Marshall Islands](#).

## **Special Meeting of ISE's Stockholders**

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*Date, time and place.* The special meeting of the stockholders of ISE will be held at 10:00 a.m., eastern time, on [ ] 2005, at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., 666 Third Avenue, New York, New York 10017 to vote on the proposal to approve the acquisition and reincorporation proposals.

### **Approval of Navios s Stockholders**

All of the shareholders of Navios have approved the acquisition by virtue of their execution of the stock purchase agreement. No further approval of Navios s shareholders is required.

## **Table of Contents**

### **Voting Power; Record Date**

You will be entitled to vote or direct votes to be cast at the special meeting if you owned shares of ISE common stock as of the close of business on [                    ], 2005, which is the record date for the special meeting. You will have one vote for each share of ISE common stock you owned at the close of business on the record date. ISE warrants do not have voting rights.

### **Vote Required to Approve the Acquisition Proposal**

The approval of the acquisition of Navios pursuant to the stock purchase agreement will require the affirmative vote of a majority of the shares of ISE's common stock issued in its initial public offering that are present in person or by proxy and entitled to vote at the meeting. However, ISE will not be able to complete the acquisition if the holders of 6,555,000 or more shares of common stock issued in ISE's initial public offering, an amount equal to 20% or more of such shares, vote against the acquisition and demand that ISE convert their shares into a pro rata portion of the trust account in which a substantial portion of the net proceeds of ISE's initial public offering are held.

At the close of business on July 13, 2005, there were 39,900,000 shares of ISE common stock outstanding, of which 32,775,000 were issued in ISE's initial public offering.

### **Vote Required to Approve the Reincorporation Proposal**

The approval of the reincorporation proposal will require the affirmative vote of a majority of the outstanding shares of ISE's common stock.

### **Conversion Rights**

Pursuant to ISE's amended and restated certificate of incorporation, a holder of shares of ISE's common stock issued in the initial public offering may, if the stockholder votes against the acquisition, demand that ISE convert such shares into cash. This demand must be made on the proxy card at the same time that the stockholder votes against the acquisition proposal. If properly demanded, ISE will convert each share of common stock as to which such demand has been made into a pro rata portion of the trust account in which a substantial portion of the net proceeds of ISE's initial public offering are held, plus all interest earned thereon. If you exercise your conversion rights, then you will be exchanging your shares of ISE common stock for cash and will no longer own these shares. Based on the amount of cash held in the trust account as of March 31, 2005, without taking into account any interest accrued, you will be entitled to convert each share of common stock that you hold into approximately \$5.51, or \$0.49 less than the per-unit offering price of \$6.00 for which you purchased units in the initial public offering. You will only be entitled to receive cash for these shares if you continue to hold these shares through the closing date of the acquisition and then tender your stock certificate to ISE. If the acquisition is not completed, then these shares will not be converted into cash.

The acquisition will not be completed if the holders of 6,555,000 or more shares of common stock issued in ISE's initial public offering, an amount equal to 20% or more of such shares, exercise their conversion rights.

**Appraisal or Dissenters Rights**

No appraisal rights are available under the Delaware General Corporation Law for the stockholders of ISE in connection with the acquisition proposal. Appraisal rights are available under the Delaware General Corporation Law for the stockholders of ISE in connection with the reincorporation proposal. The procedure to exercise appraisal rights is described in detail elsewhere in this proxy statement/prospectus. In addition, because the shareholders of Navios have unanimously approved the acquisition through their execution of the stock purchase agreement, they are not entitled to any dissenters rights, if any, under the laws of the Marshall Islands.

## **Table of Contents**

### **Tax Consequences**

The material US federal income tax consequences of the acquisition of Navios are discussed in conjunction with the tax consequences associated with the reincorporation. Please see the section entitled "United States Federal Income Tax Considerations of the Acquisition and Reincorporation" starting on page 53.

### **Proxies**

Proxies may be solicited by mail, telephone or in person.

If you grant a proxy, you may still vote your shares in person if you revoke your proxy before the special meeting.

### **Stock Ownership**

Of the 39,900,000 outstanding shares of ISE common stock, ISE's initial stockholders, including all its officers and directors and their affiliates, who purchased shares of common stock prior to ISE's initial public offering and who own an aggregate of approximately 30% of the outstanding shares of ISE common stock, have agreed to vote such shares acquired prior to the public offering (approximately 18% of the outstanding common stock) in accordance with the vote of the majority in interest of all other ISE stockholders on the acquisition proposal and as they see fit on the reincorporation proposal. They are entitled to vote the shares acquired by them in or subsequent to the initial public offering as they see fit and have indicated that they will vote the shares acquired by them in or subsequent to the initial public offering, representing approximately 12% of the outstanding common stock, in favor of each of the acquisition and reincorporation proposals. On May 27, 2005, Angeliki Frangou filed a Schedule 13D indicating that she intended, subject to market conditions, to purchase up to an additional \$20 million of common stock. Since May 27, 2005 and as of July 13, 2005, she had acquired approximately \$10.0 million of common stock representing 1,773,500 shares of common stock which are reflected in the 30% and 12% figures referred to above. If Ms. Frangou spends the balance of the \$20 million, and assuming the market price of the common stock remains at \$5.70 per share, Ms. Frangou would acquire approximately an additional 1.7 million shares of common stock and the 30% and 12% would be 34% and 16%, respectively. None of the directors, officers or affiliates of Navios own any of ISE's securities.

Furthermore, based solely upon information contained in public filings, as of the record date, the following stockholders beneficially own greater than five percent of ISE's issued and outstanding common stock as such amounts and percentages are reflected in the public filing of such stockholder:

Angeliki Frangou, ISE's Chairman, President, and Chief Executive Officer, beneficially owns 11,812,522 shares of ISE common stock, representing approximately 29.6% of the ISE common stock outstanding on the record date;

North Sound Capital LLC beneficially owns 2,700,000 shares of ISE common stock, representing approximately 6.76% of the ISE common stock outstanding on the record date;

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FMR Corp. beneficially owns 3,000,000 shares of ISE common stock, representing approximately 7.51% of the ISE common stock outstanding on the record date; and

DKR Partners LP beneficially owns 2,298,000 shares of ISE common stock, representing approximately 5.76% of the ISE common stock outstanding on the record date.

Angeliki Frangou has filed a Schedule 13D amendment indicating that she intends, subject to market conditions, to purchase up to \$20 million of common stock and as of July 13, 2005, she had purchased approximately \$10.0 million shares of common stock. Any such purchases would change the percentage owned by the initial stockholders and Ms. Frangou referred to above.

## **Table of Contents**

### **ISE's Board of Directors Recommendation**

After careful consideration, ISE's board of directors has determined unanimously that the acquisition proposal and the reincorporation proposal are fair to, and in the best interests of, ISE and its stockholders. In reaching its decision with respect to the acquisition, the board considered the opinion of Capitalink, L.C., that, as of the date of its opinion, and based on conditions that existed as of that date, upon and subject to the considerations described in its opinion and based upon such other matters as Capitalink, L.C. considered relevant, the consideration to be provided by ISE in connection with the Navios acquisition is fair to ISE's current stockholders from a financial point of view. See Fairness Opinion. Accordingly, ISE's board has unanimously approved and declared advisable the acquisition and the reincorporation and unanimously recommends that you vote or instruct your vote to be cast FOR the approval of the acquisition proposal and FOR the approval of the reincorporation proposal.

### **Interests of ISE Directors and Officers in the Acquisition**

When you consider the recommendation of ISE's board of directors that you vote in favor of adoption of the acquisition proposal, you should keep in mind that certain of ISE's directors and officers have interests in the acquisition that are different from, or in addition to, your interest as a stockholder. These interests include, among other things, that if the acquisition is not approved and ISE fails to consummate an alternative transaction within the time allotted pursuant to its certificate of incorporation, requiring ISE to liquidate, the shares of common stock held by ISE's executives and directors may be worthless because ISE's executives and directors are not entitled to receive any of the net proceeds of ISE's initial public offering that may be distributed upon liquidation of ISE. In addition, it is anticipated that the current board of directors of ISE will remain on the board thereafter and that Angeliki Frangou will remain the CEO and Chairman of the board following the acquisition. Also, Ms. Frangou has agreed to loan ISE funds, without interest, to cover its transaction expenses, including bank commitment fees and deposits, in connection with the acquisition of Navios in excess of the funds held outside the trust, which loans, if the acquisition is not completed, may not be repaid.

### **Interests of Directors and Officers of Navios in the Acquisition**

You should understand that some of the current directors and officers of Navios have interests in the acquisition that are different from, or in addition to, your interest as a stockholder. In particular, Robert G. Shaw, Navios's Executive Vice President and General Counsel, is expected to become ISE's President, and Bruce C. Hoag, Navios's current Chief Financial Officer, is expected to become ISE's Chief Financial Officer. Further, each of Ted C. Petrone, Michael E. McClure, Shunji Sasada, Pablo Soler and Gabriel Soler who are referred to below as employees, are expected to enter into employment agreements with ISE in connection with the acquisition. A summary of the employment agreements can be found under Employment Agreements on page 45. In addition, as Messrs. Shaw and Hoag are also shareholders of Navios, as well as shareholders' agents on behalf of the Navios shareholders, it is possible that potential conflicts of interest may arise with respect to their obligations as shareholders' agent and their interests as shareholders of Navios.

### **Conditions to the Completion of the Acquisition**

The obligations of ISE and the shareholders of Navios to complete the acquisition are subject to the satisfaction or waiver of specified conditions before completion of the acquisition, including the following:

*Conditions to ISE's and Navios's obligations:*

receipt of ISE stockholder approval;

the absence of any order or injunction preventing consummation of the acquisition; and

the absence of any suit or proceeding by any governmental entity or any other person challenging the acquisition.

## **Table of Contents**

### *Conditions to ISE's obligations:*

The obligation of ISE to complete the acquisition is further subject to the following conditions:

the representations and warranties made by the shareholders of Navios that are qualified as to materiality must be true and correct, and those not qualified as to materiality must be true and correct in all material respects, as of the closing date of the acquisition, except representations and warranties that address matters as of another date, which must be true and correct as of such other date, and ISE must have received a certificate from Navios's shareholders to that effect;

Navios must have performed in all material respects all obligations required to be performed by it under the terms of the stock purchase agreement; and

there must not have occurred since the date of the stock purchase agreement any material adverse effect on Navios.

### *Conditions to the obligations of the shareholders of Navios:*

The obligations of the shareholders of Navios to effect the acquisition are further subject to the following conditions:

ISE's representations and warranties that are qualified as to materiality must be true and correct, and those not qualified as to materiality must be true and correct in all material respects, as of the closing date of the acquisition, except representations and warranties that address matters as of another date, which must be true and correct as of such other date, and Navios must have received an officer's certificate from ISE to that effect; and

ISE must have performed in all material respects all obligations required to be performed by them under the stock purchase agreement.

## **Termination, Amendment and Waiver**

The stock purchase agreement may be terminated at any time prior to the completion of the acquisition, whether before or after receipt of the ISE stockholder approval, by mutual written consent of ISE and the shareholders of Navios.

In addition, either ISE or the shareholders of Navios may terminate the stock purchase agreement if:

the acquisition is not consummated on or before May 20, 2005, which date was subsequently extended, pursuant to an amendment to the stock purchase agreement, to July 15, 2005 and then further extended pursuant to the second amendment to the stock purchase agreement to up to August 31, 2005; or

by either party if the other party has breached any of its covenants or representations and warranties in any material respect.

If permitted under applicable law, either ISE or the shareholders of Navios may waive conditions for their own respective benefit and consummate the acquisition even though one or more of these conditions have not been met. We cannot assure you that all of the conditions will be satisfied or waived or that the acquisition will occur.

### **Regulatory Matters**

The acquisition and the transactions contemplated by the stock purchase agreement are not subject to any federal or state regulatory requirement or approval, including the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or HSR Act, except for filings necessary to effectuate the transactions contemplated by the reincorporation proposal with the Registrar of the Republic of the Marshall Islands and the Secretary of State of the State of Delaware.

**Table of Contents****SELECTED HISTORICAL FINANCIAL INFORMATION**

ISE is providing the following financial information to assist you in your analysis of the financial aspects of the acquisition. The Navios historical information is derived from the unaudited consolidated financial statements of Navios as of and for each of the periods ended March 31, 2005 and 2004 and the audited consolidated financial statements of Navios as of December 31, 2004 and 2003 and for each of the years ended December 31, 2004 included elsewhere in this proxy statement/prospectus. Navios historical information as of December 31, 2002, and as of and for the years ended December 31, 2000 and 2001 are derived from the unaudited financial statements which are not included in this proxy statement/prospectus. Navios was formed on November 19, 2002 and did not have operations prior to December 11, 2002. On December 11, 2002, Navios Company completed a business combination with Anemos Maritime Holdings Inc. (Anemos) and Anemos was considered the accounting acquirer in the business combination. The financial statements for the three year period January 1, 2000 to December 31, 2002 include the accounts of Anemos and its wholly-owned subsidiaries for the full year, and Navios Company for December 11, 2002 through December 31, 2002. The ISE historical information is derived from the unaudited financial statements of ISE as of March 31, 2005 and the audited financial statements of ISE as of December 31, 2004, and for the period from September 17, 2004 (inception) to December 31, 2004. The information is only a summary and should be read in conjunction with each company's historical consolidated financial statements and related notes, to the extent contained elsewhere herein. The historical results included below and elsewhere in this proxy statement/prospectus are not indicative of the future performance of either Navios or ISE.

The unaudited pro forma condensed balance sheet at March 31, 2005 and the statement of operations for the periods ended March 31, 2005 and December 31, 2004 have been prepared using two different levels of approval of the Transaction by the ISE stockholders, as follows:

Assuming Maximum Approval: This presentation assumes that 100% of ISE stockholders approve the Transaction; and

Assuming Minimum Approval: This presentation assumes that only 80.1% of ISE stockholders approve the Transaction.

**NAVIOS HISTORICAL FINANCIAL INFORMATION**

(In thousands, except per share)

	Three months ended		Year ended December 31,				
	March 31,						
	2005	2004	2004	2003	2002	2001	2000
	(unaudited)	(unaudited)				(unaudited)	(unaudited)
<b>Statement of Operations Data</b>							
Revenue	\$ 61,365	\$ 66,162	\$ 279,184	\$ 179,734	\$ 26,759	\$ 21,454	\$ 9,271
Gains and losses from forward freight agreements	(4,567)	33,583	57,746	51,115	494		
Time charter voyage and port terminal expense	(37,469)	(49,322)	(180,026)	(136,551)	(6,139)	(1,774)	(1,101)
Direct vessel expense	(2,110)	(2,171)	(8,224)	(10,447)	(8,192)	(7,439)	(4,263)
General and administrative expense	(3,644)	(3,141)	(12,722)	(11,628)	(2,263)	(1,234)	(733)
Depreciation and amortization expense	(1,489)	(1,459)	(5,925)	(8,857)	(6,003)	(5,274)	(1,797)
Gain (loss) on sale of assets			61	(2,367)	(127)	(430)	(1,153)
Interest income	302	73	789	134	41	195	107
Interest expense	(475)	(814)	(3,450)	(5,278)	(3,950)	(6,104)	(2,191)
Other income	971	17	374	1,102	72	248	137
Other expense	(222)	(1,333)	(1,438)	(553)	(6,070)	(2,770)	

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Income (loss) before minority interest	12,662	41,595	126,369	56,404	(5,378)	(3,128)	(1,723)
Minority interest				(1,306)	(324)		
Equity in net earnings of affiliate companies	302	181	763	403	68	96	128
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net income (loss)	\$ 12,964	\$ 41,776	\$ 127,132	\$ 55,501	\$ (5,634)	(3,032)	(1,595)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**Balance Sheet Data (at period end)**

Current assets, including cash	\$ 192,563		\$ 187,944	\$ 179,403	\$ 31,020	\$ 4,721	\$ 7,544
Total assets	337,270		333,292	361,533	215,800	161,610	97,206
Current liabilities, including current portion of long-term debt	95,627		103,527	136,902	38,460	12,204	8,875
Total long-term debt, including current portion	50,256		50,506	98,188	129,615	115,972	63,453
Mandatorily redeemable preferred stock, including current portion				15,189	9,435		
Shareholders' equity	187,755		174,791	96,292	41,641	38,272	29,720

**Table of Contents**

	Three months ended		Year ended December 31,				
	March 31,						
	2005	2004	2004	2003	2002	2001	2000
	(unaudited)	(unaudited)	(In thousands, except per share)			(unaudited)	(unaudited)
<b>Other Financial Data</b>							
Net cash provided by operating activities	\$ 18,177	\$ 22,800	\$ 137,218	\$ 21,452	\$ 2,219	\$ 7,826	\$ 2,224
Net cash provided by (used in) investing activities	(1,656)	(1,205)	(4,967)	26,594	(3,682)	(72,616)	(70,136)
Net cash provided by (used in) financing activities	(250)	(1,661)	(111,943)	(29,416)	5,474	61,976	73,764
Book value per common share historical and pro forma <sup>(1)</sup>	214.68	141.11	199.86	98.41	41.64	55.29	42.94
Cash dividends, declared per common share historical and pro forma <sup>(1)</sup>			45.74				
Income (loss) per common share from continuing operations historical and pro forma <sup>(1)</sup>	14.82	42.70	145.36	56.72	(5.63)	(4.38)	(2.30)
Cash paid for common stock dividend declared			40,000				
EBITDA <sup>(2)</sup>	\$ 14,626	\$ 43,976	\$ 135,718	\$ 69,502	\$ 4,278	\$ 10,383	\$ 2,286

(1) Per share data has been prepared on a historical basis for the years and periods from January 1, 2003 onwards, while for the three years of 2000 to 2002 it is based on equivalent pro forma basis considering the number of shares allocated to the shareholders of Anemos in the business combination that occurred on December 11, 2002.

(2) EBITDA represents net earnings before interest (income and expense), taxes, depreciation and amortization. EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined by U.S. GAAP, and our calculation of EBITDA may not be comparable to that reported by other companies. EBITDA is included in this prospectus because it is a basis upon which we assess our liquidity position and because we believe that it presents useful information to investors regarding a company's ability to service and/or incur indebtedness. The following table reconciles net cash from operating activities, as reflected in the consolidated statements of cash flows, to EBITDA:

Net Cash from Operating Activities	\$ 18,177	\$ 22,800	\$ 137,218	\$ 21,452	\$ 2,219	\$ 7,826	\$ 2,224
Net increase (decrease) in operating assets	10,339	(148)	(7,195)	20,406	1,915	(9)	422
Net (increase) decrease in operating liabilities	1,770	4,082	3,104	(18,112)	289	(1,805)	(803)
Net Interest cost	173	741	2,661	5,144	3,909	8,541	2,084
Amortization of deferred financing costs	(13)	(41)	(773)	(565)	(145)	(117)	(20)
Amortization of deferred drydock costs	(62)	(63)	(249)	(309)	(327)	(591)	(483)
Impairment loss						(400)	
Provision for losses on accounts receivable	912	(35)	573	(1,021)	(101)		
Gain/loss on sale of property, equipment and investments			61	(2,367)	(127)	(430)	(1,138)
Unrealized gain/loss on derivatives, FEC's, interest rate swaps and fuel swaps	(16,490)	16,877	254	45,855	(3,098)	(2,632)	
Undistributed earnings in affiliates	(180)	(237)	64	325	68		
Minority Interest				(1,306)	(324)		
<b>EBITDA</b>	<b>\$ 14,626</b>	<b>\$ 43,976</b>	<b>\$ 135,718</b>	<b>\$ 69,502</b>	<b>\$ 4,278</b>	<b>\$ 10,383</b>	<b>\$ 2,286</b>

**ISE HISTORICAL FINANCIAL INFORMATION**

	Three months ended	Period from September 17,
	March 31, 2005	2004 (inception) to
		December 31, 2004

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	(unaudited)	
	March 31, 2005	December 31, 2004
<b>Income statement data</b>		
Loss from operations	\$ (190,771)	\$ (77,185)
Interest income	741,135	92,715
	<hr/>	<hr/>
Income before provision for income taxes	550,364	15,530
Provision for income taxes	257,000	6,700
	<hr/>	<hr/>
Net income	\$ 293,364	\$ 8,830
	<hr/>	<hr/>
Weighted average number of common shares outstanding	39,900,000	12,743,571
	<hr/>	<hr/>
Net income per share basic and diluted	\$ 0.01	\$ 0.00
	<hr/>	<hr/>
	<b>March 31, 2005</b>	<b>December 31, 2004</b>
	<hr/>	<hr/>
<b>Balance sheet data</b>		
Cash	\$ 224,714	\$ 2,032,478
Investments held in trust	181,610,571	180,691,163
Total assets	187,633,270	182,824,824
Total liabilities	4,679,445	169,703
Common stock subject to possible conversion	36,097,142	36,097,142
Total stockholders equity	146,856,683	146,557,979
Total liabilities and stockholders equity	\$ 187,633,270	\$ 182,824,824

**Table of Contents****UNAUDITED PRO FORMA FINANCIAL INFORMATION**

	Three months ended	
	March 31, 2005,	
	Maximum Approval	Minimum Approval
	(In thousands)	
<b>INCOME STATEMENT DATA</b>		
Revenue	\$ 61,365	\$ 61,365
Gain (loss) on forward freight agreements	(4,567)	(4,567)
Time charter, voyage and port terminal expense	(37,469)	(37,469)
Direct vessel expense	(2,110)	(2,110)
General and administrative	(3,672)	(3,672)
Depreciation and Amortization	(7,437)	(7,437)
Capital based taxes	(114)	(114)
Other operating expenses	(77)	(77)
Interest Income	1,227	1,043
Interest Expense	(5,192)	(5,192)
Other Income	971	971
Other Expense	(222)	(222)
Income before minority interest	2,703	2,519
Minority interest		
Share of profit of equity method investee	302	302
Income before provision for income taxes	3,005	2,821
Provision for income taxes	257	257
Net income	\$ 2,748	\$ 2,564
<b>BALANCE SHEET DATA (at period end)</b>		
Current assets, including cash	\$ 221,230	\$ 184,926
Total assets	806,892	770,588
Current liabilities, including current portion of long-term debt	179,933	179,933
Total long-term debt, including current portion	520,000	520,000
Shareholders' equity	183,160	146,856

	March 31, 2005		
	ISE	Navios	Proforma
Book value per share (1)	\$ 4.40	\$ 214.68	\$ 4.40
Cash dividends declared			
Income (loss) per share Basic (2)	.01	\$ 14.82	.08
Income (loss) per share Diluted (2)	.01	\$ 14.82	.06

(1) Book value for the historical and pro forma are both calculated based on the minimum approval, to record refund of funds (\$36,304) to dissenting shareholders.

(2) Income per share is for three month period ending March 31, 2005

**Table of Contents****PER SHARE MARKET PRICE INFORMATION**

The shares of ISE common stock, warrants and units are currently quoted on the Over-the-Counter Bulletin Board under the symbols ISHP, ISHPW and ISHPU, respectively. The closing prices per share of common stock, warrant and unit of ISE on February 28, 2005, the last trading day before the announcement of the execution of the stock purchase agreement, were \$5.97, \$1.49 and \$9.00, respectively. Each unit of ISE consists of one share of ISE common stock and two redeemable common stock purchase warrants. ISE warrants became separable from ISE common stock on January 5, 2005. Each warrant entitles the holder to purchase from ISE one share of common stock at an exercise price of \$5.00 commencing on the later of the completion of the Navios acquisition (or if the Navios transaction is not consummated, the first acquisition which is consummated) or December 10, 2005. The ISE warrants will expire at 5:00 p.m., New York City time, on December 10, 2008, or earlier upon redemption. Prior to December 16, 2004, there was no established public trading market for ISE's common stock.

There is no established public trading market for the shares of common stock of Navios.

The following table sets forth, for the calendar quarter indicated, the quarterly high and low bid information of ISE's common stock, warrants and units as reported on the OTC Bulletin Board. The quotations listed below reflect interdealer prices, without retail markup, markdown or commission and may not necessarily represent actual transactions.

<u>Quarter Ended</u>	<u>Common Stock</u>		<u>Warrants</u>		<u>Units</u>	
	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>
December 31, 2004	\$	\$			\$ 6.90	\$ 6.00
March 31, 2005	\$7.04	\$ 5.25	\$ 1.96	\$ 0.86	\$ 10.75	\$ 6.50
June 30, 2005	\$ 6.15	\$ 5.46	\$ 1.74	\$ 0.67	\$ 9.60	\$ 6.55
September 30, 2005 (through July 13, 2005)	\$5.93	\$ 5.66	\$ 1.07	\$ 0.84	\$ 8.08	\$ 7.25

**RISK FACTORS**

*You should carefully consider the following risk factors, together with all of the other information included in this proxy statement/prospectus, before you decide whether to vote or instruct your vote to be cast to adopt the acquisition proposal. As ISE's operations will be those of Navios upon completion of the acquisition, a number of the following risk factors relate to the business and operations of Navios and ISE as the successor to such business.*

**Risks Associated with the Shipping Industry**

*The cyclical nature of the international dry bulk shipping industry may lead to decreases in charter rates, which may reduce Navios's revenue and earnings*

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The shipping business, including the dry cargo market, has been cyclical in varying degrees, experiencing fluctuations in charter rates, profitability and, consequently, vessel values. For example, at various times during 2004, charter rates for the international dry bulk shipping industry reached historic highs. ISE anticipates that the future demand for Navios' s dry bulk carriers and dry bulk charter rates will be dependent upon continued demand for imported commodities, economic growth in China and the rest of the world, seasonal and regional changes in demand, and changes to the capacity of the world fleet. The capacity of the world fleet seems likely to increase, and there can be no assurance that economic growth will continue. Adverse economic, political, social or other developments could decrease demand and growth in the shipping industry and thereby reduce revenue and earnings. Fluctuations, and the demand for vessels, in general, have been influenced by, among other factors:

global and regional economic conditions;

developments in international trade;

**Table of Contents**

changes in seaborne and other transportation patterns, such as port congestion and canal closures;

weather and crop yields;

armed conflicts and terrorist activities;

political developments; and

embargoes and strikes.

***An economic slowdown in the Asia Pacific region could reduce demand for shipping services and decrease shipping rates, thus decreasing Navios' revenues and earnings***

Currently, China, Japan and other Pacific Asian economies are the main driving force behind the increase in seaborne dry bulk trades and the demand for dry bulk carriers. Demand from such economies has driven increased rates and vessel values. Conversely, a negative change in economic conditions in any Asian Pacific country, but particularly in China or Japan, may have an adverse effect on Navios' business, financial position, earnings and profitability, as well as Navios' future prospects, by reducing such demand and the resultant rates. In particular, in recent years, China has been one of the world's fastest growing economies in terms of gross domestic product. ISE cannot assure that such growth will be sustained or that the Chinese economy will not experience a decline from current levels in the future. Navios' results of operations, as well as its future prospects, would likely be adversely affected by an economic downturn in any of these countries as such downturn would likely translate into reduced demand for shipping services and lower shipping rates industry wide and decrease revenue and earnings for Navios.

***The market values of Navios' vessels, which are at historically high levels, may decrease, which could cause ISE to breach covenants in its credit facility which could reduce earnings and revenues as a result of potential foreclosures***

Factors that influence vessel values include:

number of newbuilding deliveries;

changes in environmental and other regulations that may limit the useful life of vessels;

changes in global dry bulk commodity supply;

types and sizes of vessels;

development of and increase in use of other modes of transportation;

cost of vessel newbuildings;

governmental or other regulations; and

prevailing level of charter rates.

If the market values of Navios's owned vessels, which are at historically high levels, decrease, ISE may breach some of the covenants contained in the financing agreements relating to its indebtedness at the time, including covenants in its new credit facility. If ISE does breach such covenants and ISE is unable to remedy the relevant breach, its lenders could accelerate its debt and foreclose on the collateral, including Navios's vessels. Any loss of vessels would significantly decrease the ability of ISE to generate revenue and income. In addition, if the book value of a vessel is impaired due to unfavorable market conditions, or a vessel is sold at a price below its book value, ISE would incur a loss that would reduce earnings.

**Table of Contents**

*Navios may employ vessels on the spot market and thus expose itself to risk of losses based on short term decreases in shipping rates*

Navios periodically employs its vessels on a spot basis. The spot charter market is highly competitive and rates within this market are highly volatile, while longer-term time charters provide income at pre-determined rates over more extended periods of time. There can be no assurance that Navios will