

INTERNATIONAL SHIPPING ENTERPRISES, INC.

Form S-4

April 19, 2005

Table of Contents

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON APRIL 19, 2005

REGISTRATION NO. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

INTERNATIONAL SHIPPING ENTERPRISES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation or organization)	6770 (Primary Standard Industrial Classification Code Number)	57-1212493 (I.R.S. Employer Identification No.)
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 principal executive offices)

Angeliki Frangou

Chief Executive Officer

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⁽¹⁾	PROPOSED MAXIMUM OFFERING PRICE PER SHARE⁽²⁾	PROPOSED AGGREGATE OFFERING PRICE⁽²⁾	AMOUNT OF REGISTRATION FEE
Common Stock, par value \$0.0001 per share	39,900,000 shares	\$ 5.83	\$ 232,617,000	\$ 27,380

- (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 the registrant'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 the registrant into the wholly-owned subsidiary in order to effectuate the reincorporation of the registrant.
- (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.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933, 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

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 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, who purchased shares of common stock prior to ISE s initial public offering and presently own an aggregate of approximately 26% 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, 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 8% of the outstanding common stock, in favor of both the acquisition and reincorporation proposals.

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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

Table of Contents

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.

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

See **Risk Factors** beginning on page 9 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.

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

TABLE OF CONTENTS

	Page
<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>	9
<u>RISK FACTORS</u>	9
<u>Risks Associated with the Shipping Industry</u>	9
<u>Risks Associated with the Acquisition</u>	14
<u>Risks Associated with Taxation</u>	19
<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>	28
<u>Acquisition Financing</u>	28
<u>ISE's Reasons for the Acquisition and Recommendation of the ISE Board</u>	29
<u>Navios's Successful Record of Growth and Expansion and High Potential for Future Growth</u>	29
<u>The Experience of Navios's Management</u>	29
<u>The Terms of the Stock Purchase Agreement</u>	29
<u>Fairness Opinion</u>	30
<u>Navios Financial Performance Review</u>	32
<u>Valuation Overview</u>	33
<u>Selected Comparable Company Analysis</u>	33
<u>Discounted Cash Flow Analysis</u>	34
<u>Adjusted Net Asset Value Analysis</u>	34
<u>Owned Vessels</u>	34
<u>Chartered-in Fleet</u>	34
<u>Vessel Purchase Options</u>	35
<u>Short-Term Chartering COAs and Risk Management</u>	35
<u>Uruguay Port</u>	35
<u>Discounted Cash Flow Analysis</u>	35
<u>Comparable Company Analysis</u>	35
<u>Appraisal or Dissenters Rights</u>	36

Table of Contents

	<u>Page</u>
<u>United States Federal Income Tax Consequences of the Acquisition</u>	36
<u>Regulatory Matters</u>	36
<u>Consequences if Acquisition Proposal is Not Approved</u>	36
<u>Required Vote</u>	37
<u>Recommendation</u>	37
<u>THE STOCK PURCHASE AGREEMENT</u>	38
<u>Structure of the Acquisition</u>	38
<u>Purchase Price-Payment</u>	38
<u>Deposit; Adjustment Deposit</u>	38
<u>EBITDA-Purchase Price Adjustment</u>	38
<u>Closing of the Acquisition</u>	39
<u>Representations and Warranties</u>	39
<u>Materiality and Material Adverse Effect</u>	40
<u>Interim Covenants Relating to Navios</u>	40
<u>No Solicitation by Navios</u>	41
<u>No Solicitation by ISE</u>	41
<u>ISE Stockholders Meeting</u>	41
<u>Access to Information</u>	42
<u>Indemnification</u>	42
<u>Fees and Expenses</u>	42
<u>Public Announcements</u>	42
<u>Pre-Closing Confirmation</u>	42
<u>Conditions to the Completion of the Acquisition</u>	43
<u>Termination</u>	43
<u>Effect of Termination</u>	43
<u>Assignment</u>	44
<u>Amendment</u>	44
<u>Further Assurances</u>	44
<u>Shareholders Agent</u>	44
<u>EMPLOYMENT AGREEMENTS</u>	44
<u>Scope of Employment</u>	45
<u>Compensation</u>	45
<u>Fringe Benefits, Reimbursement of Expenses</u>	45
<u>Termination Benefits</u>	45
<u>THE REINCORPORATION PROPOSAL</u>	47
<u>General</u>	47
<u>Appraisal Rights</u>	47
<u>Merger Agreement</u>	49
<u>Comparison of Stockholder Rights</u>	50
<u>Federal Income Tax Consequences</u>	52
<u>Marshall Islands Tax Considerations</u>	52
<u>United States Federal Income Tax Considerations of the Acquisition and Reincorporation</u>	52
<u>United States Federal Income Taxation of US Holders</u>	54
<u>United States Federal Income Taxation of Non-US Holders</u>	55
<u>Backup Withholding and Information Reporting</u>	56
<u>Enforceability of Civil Liabilities</u>	57
<u>Consequences if Reincorporation Proposal is Not Approved</u>	57
<u>Required Vote</u>	57
<u>Recommendation</u>	57

Table of Contents

	Page
<u>INFORMATION ABOUT NAVIOS</u>	58
<u>Introduction</u>	58
<u>The International Dry Bulk Shipping Industry</u>	58
<u>Navios Maritime Holdings Inc.</u>	66
<u>Business Strategy</u>	67
<u>Competitive Advantages</u>	69
<u>Shipping Operations</u>	69
<u>Port and Terminal Operations</u>	73
<u>Customers</u>	77
<u>Competition</u>	77
<u>Governmental and Other Regulations</u>	78
<u>Risk of Loss and Liability Insurance</u>	79
<u>Risk Management</u>	80
<u>Legal Proceedings</u>	80
<u>Crewing and Shore Employees</u>	81
<u>Facilities</u>	81
<u>Quantitative and Qualitative Disclosures about Market Risk</u>	81
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF NAVIOS</u>	84
<u>Overview</u>	84
<u>Factors Affecting Navios's Results of Operations</u>	84
<u>Results of Operations</u>	86
<u>Income Statement Breakdown by Segment</u>	87
<u>For the year ended December 31, 2004 compared to the year ended December 31, 2003</u>	87
<u>For the year ended December 31, 2003 compared to the year ended December 31, 2002</u>	88
<u>Concentration of Credit Risk</u>	92
<u>Effects of Inflation</u>	92
<u>Off-Balance Sheet Arrangements</u>	92
<u>Recently Issued Accounting Standards</u>	93
<u>Critical Accounting Policies</u>	93
<u>Related Party Transactions</u>	94
<u>INFORMATION ABOUT ISE</u>	96
<u>Business of ISE</u>	96
<u>General</u>	96
<u>Effecting a Business Combination</u>	96
<u>Competition</u>	98
<u>Facilities</u>	99
<u>Employees</u>	99
<u>Periodic Reporting and Audited Financial Statements</u>	99
<u>Legal Proceedings</u>	99
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations of ISE</u>	99
<u>UNAUDITED PRO FORMA CONDENSED FINANCIAL STATEMENTS</u>	101
<u>DIRECTORS AND MANAGEMENT OF ISE FOLLOWING THE ACQUISITION OF NAVIOS AND REINCORPORATION</u>	108
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	111
<u>BENEFICIAL OWNERSHIP OF SECURITIES</u>	112
<u>PRICE RANGE OF SECURITIES AND DIVIDENDS</u>	113
<u>ISE</u>	113
<u>Navios</u>	114

Table of Contents

	<u>Page</u>
<u>DESCRIPTION OF SECURITIES</u>	114
<u>General</u>	114
<u>Units</u>	114
<u>Common stock</u>	114
<u>Preferred stock</u>	115
<u>Warrants</u>	115
<u>Transfer Agent and Warrant Agent</u>	116
<u>EXPERTS</u>	116
<u>LEGAL MATTERS</u>	117
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	117
<u>INDEX TO FINANCIAL STATEMENTS</u>	F-1
 ANNEXES	
<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 29.

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 own an aggregate of approximately 26% 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)

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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, 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 8% of the outstanding common stock, in favor of the acquisition proposal. No vote of the warrant holders is necessary to adopt the acquisition proposal,

v

Table of Contents

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?

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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 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

Table of Contents

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?

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?

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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, 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.

Table of Contents

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?

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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.

The Acquisition

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.

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;

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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](#).

Table of Contents

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' 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' 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' regulatory and tax planning have been historically based.

Navios' 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

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' Stockholders