Q2 Report
2011

IFCO SYSTEMS N.V.

Content

Basis of presentation

To help the stakeholders of IFCO SYSTEMS N.V. (IFCO or the Company) to understand and follow the progress of our group and to comply with all International Financial Reporting Standards (IFRS) as adopted by the European Union, we present our financial results both on a group level and in business segments which match our operational structure. Our primary business segments, whose financial results are described in greater detail below, are:

- RPC Management Services – our reusable plastic container (RPC) services business in Europe and North and South America.
- Pallet Management Services – our pallet management, repair, and recycling services business in North America.
- Corporate – provides various management, financial, tax, internal audit and organizational services to the operating segments.

Our assets, liabilities, revenues and expenses are subject to exchange rate fluctuations between the US Dollar, which is our group presentation/reporting currency and the primary functional currency of the North American operations and the Euro, the primary functional currency of IFCO SYSTEMS N.V. and the European operations. Exchange rate fluctuations also occur, as a result of certain European and South American subsidiaries operating in other countries and using other functional currencies.

Exchange rate volatility has existed from Q1 2010 to Q2 2011 between the Euro and the US Dollar. Accordingly, we have described certain comparative information below as currency adjusted information, whereby 2010 income statement and financial position figures have been translated to US Dollars using applicable 2011 currency exchange rates. Unless otherwise noted, no 2010 figures in tabular form are currency adjusted.

Corporate developments

Introduction of a one-tier board structure

On May 25, 2011, the Extraordinary General Meeting of Shareholders ("EGM") amended the articles of association of the Company, effective May 26, 2011.

The articles provide a new governance structure for the Company by introducing a one-tier board structure.

The Company's Supervisory Board ceased to exist as a distinct corporate body. The Company's Supervisory Board consisted of Dr. Bernd D. Malmström, Mr. Christoph A. Schoeller, Mr. Hervé Defforey, Mr. Jurgen Rauen and Mr. Peter M. Schmid. Each of Dr. Malmström, Mr. Schoeller, Mr. Defforey, Mr. Rauen and Mr. Schmid resigned from their position as member of the Supervisory Board, effective May 26, 2011.

The Company's Board of Managing Directors consisted of Mr. Karl H. Pohler (CEO), Dr. Michael W. Nimtsch (CFO), Mr. Wolfgang Orgeldinger (COO), Mr. David S. Russell and Mr. Robert J. Verdonk. In connection with the introduction of the one-tier board structure and its desired composition, each of Mr. Orgeldinger, Mr. Russell and Mr. Verdonk resigned from their position as member of the Board of Managing Directors, effective May 26, 2011.

The composition of the new Board of Directors of the one-tier board structure is as follows: Dr. Bernd D. Malmström (non-executive member and chairman of the Board of Directors), Mr. Tom Gorman (non-executive member and vice-chairman of the Board of Directors), Mr. Karl H. Pohler (executive member and CEO of the Board of Directors) and Dr. Michael W. Nimtsch (executive member and CFO of the Board of Directors).

Redemption of the 10% Guaranteed Senior Secured Notes due 2016 ("Notes")

The Company completed the repurchase of its outstanding Notes as follows:

On April 20, 2011 the Company notified holders of the Notes that all conditions precedent had occurred for the Company to repurchase for cash any and all of its outstanding Notes upon the acquisition of a majority of the shares in the Company by Brambles Investment Limited (the "Change of Control Repurchase") in accordance with the terms and conditions of the Notes. On May 23, 2011 the Company acquired tendered Notes of €5,700,000 principal amount on the basis of the Change of Control Repurchase. The Company paid €1,010 for €1,000 Notes plus accrued and unpaid interest.

On June 29, 2011 the Company redeemed for cash €64,300,000 principal amount of the Notes outstanding (being approximately 33.09% of Notes outstanding), with the proceeds of the issue of new equity securities and a sale of equity securities held in treasury by the Company pursuant to the terms and conditions of the Notes ("Equity Claw Back"). The Company paid €1,100 for €1,000 Notes plus accrued and unpaid interest.

On June 30, 2011 the Company redeemed all of its remaining outstanding Notes of €130,000,000 then outstanding following the aforementioned Change of Control Repurchase and the Equity Claw Back redemption of a portion of the Notes on June 29, 2011 pursuant to the terms and conditions of the Notes. The Company paid €1,207 for €1,000 Notes plus accrued and unpaid interest.

Therefore, all outstanding Notes of the Company have been repurchased or redeemed and no further Notes of the Company are outstanding as of June 30, 2011.

Increase of the issued share capital

In connection with the redemption of the Notes, the Company issued to Brambles Investment Limited a number of shares equal to approximately 9.93% of the issued and outstanding share capital of the Company on June 24, 2011, being a total number of 5,121,724 ordinary registered shares with a nominal value of EUR 0.01 each. In the annual general meeting of shareholders ("AGM") of the Company held on March 24, 2010, the Company's Board of Managing Directors has been authorized for a period of 18 months from the date of such meeting, i.e. until and including September 23, 2011, to adopt resolutions to issue new shares in the capital of the Company. The authorization relates to a maximum of 10% of the Company's issued and outstanding share capital at the time of such resolution extends to all classes of shares of which the authorized share capital of the Company may consist at any time. The Company's Board of Managing Directors has adopted a resolution to this effect, providing for the issuance of the new shares.

In the AGM, the Board of Managing Directors has also been authorized for a period of 18 months from the date of the AGM, i.e. until and including September 23, 2011, to adopt resolutions to restrict or exclude the pre-emptive rights of the Company's shareholders in respect of the issuance of new shares. The authorization extends to all classes of shares of which the authorized share capital of the Company may consist at any time, and is subject to approval of the Supervisory Board. The Board of Managing Directors excluded the pre-emption rights of the existing shareholders of the Company with respect to the issuance. The Supervisory Board has approved the proposed exclusion of the pre-emption rights of the existing shareholders of the Company with respect to the issuance. The number of fully paid-up shares as of June 30, 2011 is 56,693,938.

Group consolidated financial highlights – 2011 vs. 2010

Operations data

US $ in thousands, except per share amounts	Q2 2011	Q2 2010	% Change	H1 2011	H1 2010	% Change	LTM Q2 2011
Revenues	230,738	195,225	18.2%	436,464	383,628	13.8%	838,266
Gross profit	56,706	44,484	27.5%	99,726	83,512	19.4%	193,698
Gross profit margin	24.6%	22.8%		22.8%	21.8%		23.1%
Selling, general and administrative expenses	19,654	19,915	(1.3%)	38,882	39,067	(0.5%)	76,450
Selling, general and administrative expenses as a percentage of revenues	8.5%	10.2%		8.9%	10.2%		9.1%
EBITDA	53,198	36,078	47.5%	87,488	67,905	28.8%	169,248
EBITDA margin	23.1%	18.5%		20.0%	17.7%		20.2%
EBIT	40,718	26,093	56.0%	64,851	47,242	37.3%	123,360
EBIT margin	17.6%	13.4%		14.9%	12.3%		14.7%
(Loss) profit from continuing operations before taxes	(44,737)	11,128		(33,504)	16,280		1,220
Net (loss) profit	(54,622)	6,110		(49,181)	7,050		(21,479)
(Loss) profit per share from continuing operations – basic	(1.06)	0.11		(0.96)	0.15		(0.43)
(Loss) profit per share from continuing operations – diluted	(1.06)	0.11		(0.96)	0.15		(0.43)
Net (loss) profit per share – basic	(1.06)	0.12		(0.96)	0.14		(0.42)
Net (loss) profit per share – diluted	(1.06)	0.12		(0.96)	0.14		(0.42)
Operating cash flows from continuing operations excluding ICE [1]	60,556	44,103	37.3%	68,364	64,577	5.9%	185,222
Operating cash flows from continuing operations including ICE [1]	57,457	40,138	43.1%	58,646	52,737	11.2%	171,205
Capital expenditures from continuing operations	46,070	27,972	64.7%	79,609	52,883	50.5%	148,781
Return on capital employed (ROCE) [2]	24.9%	21.9%					
Currency Adjusted:							
Revenues	230,738	205,963	12.0%	436,464	393,458	10.9%	855,059
Gross profit	56,706	47,475	19.4%	99,726	86,356	15.5%	198,836
EBITDA	53,198	38,481	38.2%	87,488	70,200	24.6%	173,852
EBIT	40,718	27,875	46.1%	64,851	48,997	32.4%	126,863

(1) Operating cash flows presented above as calculated under IFRS are prior to interest and income tax payments.
(2) We calculate ROCE by dividing the last twelve months' reported EBIT by the total average book value of the capital employed which would be required to fund the measured business unit during this measurement period. We only consider our continuing operations' EBIT and average book value to calculate ROCE.

Financial position data

US $ in thousands	June 30, 2011	December 31, 2010	% Change
Cash and cash equivalents	30,449	59,392	(48.7%)
Property, plant and equipment	619,951	528,832	17.2%
Total debt, including finance lease obligations	330,471	322,269	2.5%
Net debt [1]	300,022	262,877	14.1%
Net debt currency adjusted	300,022	284,793	5.3%
Liquidity	157,010	120,351	30.5%
Liquidity currency adjusted	157,010	128,839	21.9%
Shareholders' equity	318,947	257,552	23.8%
Headcount of continuing operations (as of the respective financial position dates)	3,682	3,849	(4.3%)

(1) Net debt includes cash and cash equivalents, all interest bearing debt and current and non-current finance lease obligations.

Cash flows

US $ in thousands	H1 2011	H1 2010
Cash and cash equivalents, beginning of period	59,392	73,042
Operating cash flows:		
Cash generated from continuing operations, excluding the cash flow effect of changes in working capital and income tax payments and excluding ICE	82,741	65,356
Cash flow effect of changes in working capital	(14,377)	(779)
Operating cash flows of continuing operations, prior to income tax payments and excluding ICE	**68,364**	**64,577**
Cash used for ICE [1]	(9,718)	(11,840)
Operating cash flows of continuing operations, prior to income tax payments and including ICE	**58,646**	**52,737**
Income taxes paid	(4,310)	(2,035)
Operating cash flows of continuing operations	**54,336**	**50,702**
Operating cash flows of discontinued operations	(144)	(509)
	54,192	**50,193**
Investing cash flows	**(79,418)**	**(52,652)**
Financing cash flows	**(6,893)**	**(33,236)**
Effect of exchange rate changes on cash and cash equivalents	3,176	(6,780)
Cash and cash equivalents, end of period	**30,449**	**30,567**

(1) In January 2011, the Company paid the third annual installment payment (US $6.0 million) due under the ICE non-prosecution agreement signed in December 2008. In January 2010, the Company paid the second annual installment payment (US $6.1 million) due under the ICE non-prosecution agreement signed in December 2008.

IFCO's currency adjusted group revenues and operational profitability both continued to grow in Q2 2011 and H1 2011 as compared to Q2 2010 and H1 2010. Both of our key segments, RPC Management Services and Pallet Management Services, achieved growth in currency adjusted revenues, gross profit and EBITDA in Q2 2011 and H1 2011 as compared to Q2 2010 and H1 2011.

- Group **revenues** developed as follows:

US $ in thousands	Q2 2011	Q2 2010	% Change	H1 2011	H1 2010	% Change
Group revenues	230,738	195,225	18.2%	436,464	383,628	13.8%
Group revenues currency adjusted	230,738	205,963	12.0%	436,464	393,458	10.9%

RPC Management Services' revenues developed as follows:

US $ in thousands	Q2 2011	Q2 2010	% Change	H1 2011	H1 2010	% Change
RPC Management Services revenues	141,055	106,046	33.0%	260,450	209,548	24.3%
RPC Management Services revenues currency adjusted	141,055	116,784	20.8%	260,450	219,378	18.7%

RPC Management Services' revenues in Q2 2011 increased by US $35.0 million or 33.0% (currency adjusted by 20.8%), compared to Q2 2010 (H1 2011 by 24.3%; H1 2011 currency adjusted by 18.7%). These gains resulted from organic growth in our core business in RPC Europe as well as winning new retailers in certain markets, like Spar in Austria and Carrefour in France. Our South American and US business continued to grow, although growth in our RPC US business was tempered significantly as a result of the legacy impact of severe weather during Q4 2010 and Q1 2011 that reduced crop levels, as well as the lower than expected volume developments of certain retail partners.

Pallet Management Services' revenues developed as follows:

US $ in thousands	Q2 2011	Q2 2010	% Change	H1 2011	H1 2010	% Change
Pallet Management Services revenues	89,683	89,179	0.6%	176,014	174,080	1.1%

Revenues in Pallet Management Services grew slightly in Q2 2011 by 0.6% to US $89.7 million compared to Q2 2010 (H1 2011, increased by 1.1% to US $176.0 million). Although average pricing levels in Q2 2011 and H1 2011 continued to rise slowly following the 2009 economic downturn, market demand during 2011 has remained largely flat in total, and in many industries and regions served by the Company. Overall gains in pallet revenues were partially offset by significantly lower revenues in our Custom Crating division in Q2 2011 and H1 2011 than in Q2 2010 and H1 2010.

- **Gross profit margin** on a group level increased in Q2 2011 by 1.8 percentage points to 24.6% (H1 2011, grew 1.0 percentage points to 22.8%). RPC Management Services' gross profit margin improved from 28.7% in Q2 2010 to 29.0% in Q2 2011. Gross profit margin in the Pallet Management Services business increased to 17.6% from 15.8% in Q2 2011.

- Q2 2011 **selling, general and administrative expenses** (SG&A) slightly decreased by 1.3% to US $19.7 million (H1 2011 decreased by 0.5% to US $38.9 million). SG&A as a percentage of revenues decreased in Q2 2011 to 8.5% compared to 10.2% in Q2 2010.

- Group **EBITDA** and **EBITDA margin** improved significantly and developed as follows, and is explained in greater detail in the respective business segment sections of this report:

US $ in thousands	Q2 2011	Q2 2010	% Change	H1 2011	H1 2010	% Change
Group EBITDA	53,198	36,078	47.5%	87,488	67,905	28.8%
Group EBITDA currency adjusted	53,198	38,481	38.2%	87,488	70,200	24.6%
Group EBITDA margin	23.1%	18.5%		20.0%	17.7%	

LTM Q2 2011 EBITDA reached a record level of US $169.2 million.

- Group EBIT and **EBIT** margin developed as follows, and is explained in greater detail in the respective business segment sections of this report:

US $ in thousands	Q2 2011	Q2 2010	% Change	H1 2011	H1 2010	% Change
Group EBIT	40,718	26,093	56.0%	64,851	47,242	37.3%
Group EBIT currency adjusted	40,718	27,875	46.1%	64,851	48,997	32.4%
Group EBIT margin	17.6%	13.4%		14.9%	12.3%	

LTM Q2 2011 EBIT reached a record level of US $123.4 million.

- **Net result** significantly decreased from a net profit of US $6.1 million in Q2 2010 to a net loss of US $54.6 million in Q2 2011 (H1 2010 from a net profit of US $7.0 million to a net loss of US $49.2 million). The net operational improvements and lower ICE related expenses were more than offset by higher net finance costs and a higher tax provision. These higher finance costs included a US $70.5 million charge resulting from the Company's repurchase of its Notes, which consisted of redemption premiums in the amount of US $48.4 million and the write-off of deferred financing costs in the amount of US $22.1 million. Excluding these extraordinary and one-time effects, the Company's operational net profit would have been US $15.9 million.

- As a result of the above, **basic profit per ordinary share** from continuing operations decreased from a profit of US $0.11 in Q2 2010 to a loss of US $1.06 in Q2 2011 (H1 2011 decreased from a profit of US $0.15 to a loss of US $0.96).

- IFCO's **cash flow from continuing operations**, excluding the cash flow effect of income tax payments and ICE related payments, increased to US $68.4 million in H1 2011 from US $64.6 million in H1 2010.

- Our **capital expenditure** levels significantly increased by US $18.1 million, or 64.7%, to US $46.1 million during Q2 2011 (H1 2011, by 50.5% to US $79.6 million). The realization of the planned growth in Europe, expectations of a timely volume recovery in our RPC US business and increased granulate prices have led to increased investments in our RPC pool in 2011.

- **ROCE** from continuing operations, on a LTM basis, increased to 24.9% as of June 30, 2011, compared to 21.9% as of June 30, 2010. This positive development is the result of the Company's increased profitability and continuous improved utilization of the RPC pool.

- IFCO's **cash** position as of June 30, 2011 of US $30.4 million was lower by US $28.9 million than the cash position as of December 31, 2010.

- **Net debt** increased by US $37.1 million to US $300.0 million as of June 30, 2011 compared to December 31, 2010 (on a currency adjusted basis by US $15.2 million), as a result of funding of the Notes redemption, higher capital expenditures and negative working capital development as well as the reduction of deferred financing costs. Additionally, in Q1 2011, IFCO funded the third annual installment payment (US $6.0 million) due under the ICE non-prosecution agreement.

- Our sources of **liquidity** currently include cash from operations, cash and cash equivalents on hand, amounts available under our revolving loan facilities with Brambles Finance plc and certain factoring agreements. As of June 30, 2011, our liquidity improved to US $157.0 million compared to US $120.4 million as of December 31, 2010 and compared to US $78.5 million (currency adjusted US $91.0 million) as of June 30, 2010. We believe that these sources of liquidity are sufficient to finance our future capital and operational requirements in accordance with our business plans.

Segment information

RPC Management Services

US $ in thousands, except RPC data	Q2 2011	Q2 2010	% Change	H1 2011	H1 2010	% Change	LTM Q2 2011
Revenues	141,055	106,046	33.0%	260,450	209,548	24.3%	503,260
Gross profit	40,889	30,411	34.5%	69,676	56,635	23.0%	142,450
Gross profit margin	29.0%	28.7%		26.8%	27.0%		28.3%
EBITDA	44,048	30,590	44.0%	72,102	58,027	24.3%	148,789
EBITDA margin	31.2%	28.8%		27.7%	27.7%		29.6%
EBIT	33,053	22,368	47.8%	52,532	40,915	28.4%	109,329
EBIT margin	23.4%	21.1%		20.2%	19.5%		21.7%
Total RPC trips (in thousands)	159,522	136,996	16.4%	297,629	259,807	14.6%	588,651
RPC pool size (end of period)	125,120	107,934	15.9%	125,120	107,934	15.9%	125,120
Average RPC annualized turns	5.22	5.14	1.5%	4.94	4.94	0.0%	5.05
Currency Adjusted:							
Revenues	141,055	116,784	20.8%	260,450	219,378	18.7%	520,053
Gross profit	40,889	33,402	22.4%	69,676	59,479	17.1%	147,588
EBITDA	44,048	33,336	32.1%	72,102	60,643	18.9%	153,891
EBIT	33,053	24,493	34.9%	52,532	42,991	22.2%	113,330

Revenues

- Currency adjusted revenues grew in our main geographic regions as follows:

US $ in thousands	Q2 2011	Q2 2010	% Change	H1 2011	H1 2010	% Change
RPC Europe	102,638	83,012	23.6%	191,114	157,026	21.7%
RPC US	33,065	29,432	12.3%	58,825	54,265	8.4%
RPC South America	5,352	4,340	23.3%	10,511	8,087	30.0%

RPC Management Services' revenues in Q2 2011 increased by US $35.0 million or 33.0% (currency adjusted by 20.8%), compared to Q2 2010 (H1 2011 by 24.3%; H1 2011 currency adjusted by 18.7%). These gains resulted from organic growth in our core business in RPC Europe as well as winning new retailers in certain markets, like Spar in Austria and Carrefour in France. Our South American and US business continued to grow, although growth in our RPC US business was tempered significantly as a result of the legacy impact of severe weather during Q4 2010 and Q1 2011 that reduced crop levels, as well as the lower than expected volume developments of certain retail partners.

- Total trips increased by 16.4% to 159.5 million in Q2 2011 (H1 2011 by 14.6% to 297.6 million).

- Compared to Q2 2011, our overall average per trip pricing increased due to structural changes in the mixture of the rented RPCs.

- The annualized turns of our global RPC pool remained constant with 5.05 turns during LTM Q2 2011 compared to year end 2010 and increased compared to 4.97 in LTM Q2 2010.

Operational expenses and profitability

- RPC Management Services' currency adjusted gross profit increased by 22.4% to US $40.9 million in Q2 2011 (H1 2011 currency adjusted, 17.1% to US $69.7 million). Gross profit margin slightly increased by 0.3 percentage points to 29.0% in Q2 2011. Gross profit margin in our European RPC business benefited from increased average prices per trip. Gross profit margin in the RPC US business increased slightly in Q2 2011, as washing expenses and other fixed operating costs improved due to economies of scale effects. RPC US gross profit margin remained lower during H1 2011, as a result of the effect of higher fuel, pool positioning, and transportation tariff charges, which were more pronounced in Q1 2011.

- SG&A slightly decreased in Q2 2011 by 1.4% compared to Q2 2010 (H1 2011 increased by 4.2%), resulting in a significant reduction in SG&A as a percentage of revenues from 8.4% in Q2 2010 to 6.2% in Q2 2011 (H1 2011 fell from 8.3% to 6.9%).

- As a result of the items discussed above, our RPC Management Services EBITDA and EBITDA margin improved as follows:

US $ in thousands	Q2 2011	Q2 2010	% Change	H1 2011	H1 2010	% Change
EBITDA	44,048	30,590	44.0%	72,102	58,027	24.3%
EBITDA currency adjusted	44,048	33,336	32.1%	72,102	60,643	18.9%
EBITDA margin	31.2%	28.8%		27.7%	27.7%	

- As a result of the items discussed above, our RPC Management Services EBIT and EBIT margin grew as follows:

US $ in thousands	Q2 2011	Q2 2010	% Change	H1 2011	H1 2010	% Change
EBIT	33,053	22,368	47.8%	52,532	40,915	28.4%
EBIT currency adjusted	33,053	24,493	34.9%	52,532	42,991	22.2%
EBIT margin	23.4%	21.1%		20.2%	19.5%	

Pallet Management Services

US $ in thousands	Q2 2011	Q2 2010	% Change	H1 2011	H1 2010	% Change	LTM Q2 2011
Revenues	89,683	89,179	0.6%	176,014	174,080	1.1%	335,006
Gross profit	15,817	14,073	12.4%	30,050	26,877	11.8%	51,248
Gross profit margin	17.6%	15.8%		17.1%	15.4%		15.3%
EBITDA	10,970	7,976	37.5%	19,699	14,894	32.3%	30,162
EBITDA margin	12.2%	8.9%		11.2%	8.6%		9.0%
EBIT	9,485	6,213	52.7%	16,632	11,343	46.6%	23,734
EBIT margin	10.6%	7.0%		9.4%	6.5%		7.1%

Revenues

- Revenues increased slightly by US $0.5 million, or 0.6%, to US $89.7 million in Q2 2011 (H1 2011, 1.1% to US $176.0 million).

- Although average pricing levels continued to rise slowly following the 2009 economic downturn in Q2 2011 and H1 2011, market demand during 2011 has remained largely flat in total, and in many industries and regions served by the Company. Overall gains in pallet revenues were partially offset by significantly lower revenues in our Custom Crating division in Q2 2011 and H1 2011 than in Q2 2010 and H1 2010.

Operational expenses and profitability

- Gross profit margin in our Pallet Management Services division increased by 1.8 percentage points to 17.6% in Q2 2011. The gross profit margin gains were primarily the result of slowly increasing sales prices, improved materials utilization and labor efficiencies, as well as the improving results from individual operations that had previously been operating below management expectations.

- Total SG&A expenses were 14.4% lower during Q2 2011 compared to Q2 2010. These decreases were primarily the result of lower personnel, bad debt, and travel costs (H1 2011 decreased by 12.6%).

- As a result of the items discussed above, our Pallet Management Services EBITDA, EBITDA margin, EBIT and EBIT margin significantly improved and developed as follows:

US $ in thousands	Q2 2011	Q2 2010	% Change	H1 2011	H1 2010	% Change
EBITDA	10,970	7,976	37.5%	19,699	14,894	32.3%
EBITDA margin	12.2%	8.9%		11.2%	8.6%	
EBIT	9,485	6,213	52.7%	16,632	11,343	46.6%
EBIT margin	10.6%	7.0%		9.4%	6.5%	

Corporate

US $ in thousands	Q2 2011	Q2 2010	% Change	H1 2011	H1 2010	% Change	LTM Q2 2011
EBITDA	(1,820)	(2,488)	(26.8%)	(4,313)	(5,016)	(14.0%)	(9,703)
EBIT	(1,820)	(2,488)	(26.8%)	(4,313)	(5,016)	(14.0%)	(9,703)
Net finance costs	81,009	9,544	748.8%	90,525	19,828	356.6%	107,537
Foreign currency loss, net	(1,366)	(1,113)	22.7%	(339)	(1,568)	(78.4%)	(1,180)
Income tax provision	9,860	5,277	86.9%	15,652	8,589	82.2%	23,112
(Loss) income from discontinued operations	(25)	259		(25)	(641)	(96.1%)	413

EBIT

Our corporate EBIT charges decreased by US $0.7 million in Q2 2011 (H1 2011, US $0.7 million).

Net finance costs

Our net finance costs consist of recurring costs and interest items affected by the repurchase of the Notes as follows:

US $ in thousands	Q2 2011	Q2 2010	% Change	H1 2011	H1 2010	% Change
Recurring interest items	10,477	9,544	9.8%	19,993	19,828	0.8%
Interest items affected by the repurchase of the Notes	70,532	–	n/a	70,532	–	n/a
Net finance costs	**81,009**	**9,544**	**748.8%**	**90,525**	**19,828**	**356.6%**

The interest items affected by the repurchase of the Notes consist of redemption premiums (US $48.4 million) and write-off of deferred financing costs (US $22.1 million).

Foreign currency loss, net

Our foreign currency non cash losses are the result of exchange rate fluctuations between the Euro and other local European currencies and the Euro and the US Dollar.

Income tax provision

Our income tax provision in Q2 2011 consists of a deferred income tax provision of US $7.1 million (Q2 2010, US $4.8 million) and US $2.7 million of current income tax provision accruals (Q2 2010, US $0.5 million). Our income tax provision in H1 2011 consists of a deferred income tax provision of US $10.1 million (H1 2010, US $6.3 million) and US $5.6 million of current income tax provision accruals (H1 2010, US $2.3 million).

Discontinued operations

During Q3 2003, the Company, certain of its subsidiaries and other third parties were named as defendants in two lawsuits, based upon alleged harmful emissions from a Chicago drum reconditioning facility, operated prior to February 2002, when that business was sold. In Q2 2010, the Company reached settlement with the plaintiffs for US $9.5 million, resolving any claims by plaintiffs and other parties named in the lawsuits. The Company incurred legal costs and other costs related to the lawsuits and related settlements of US $1.7 million in 2010. The Company has obtained agreements from its insurers for reimbursement totaling US $11.0 million, and is engaged in further negotiations with its insurers regarding additional reimbursements of defense costs and other expenses related to this matter.

Investigation by U.S. Immigration and Customs Enforcement

In 2006, facilities at certain U.S. subsidiaries of the Company ("the U.S. Subsidiaries") were searched by agents from U.S. Immigration and Customs Enforcement ("ICE"), in connection with allegations of the hiring of illegal aliens not eligible for U.S. employment. On December 19, 2008, the U.S. Subsidiaries entered into a "non-prosecution" agreement with the investigating U.S. Attorney's Office ("U.S. Attorney"), in which the U.S. Attorney agreed it would not criminally prosecute the U.S. Subsidiaries for offenses related to this investigation. The U.S. Subsidiaries agreed to undertake certain compliance and cooperation obligations and to pay approximately US $20.7 million with approximately US $2.6 million paid in Q1 2009, US $6.1 million paid in Q1 2010, US $6.0 million paid in Q1 2011 and then US $6.0 million due in January 2012. The Company has agreed to guarantee the making of these payments by the U.S. Subsidiaries. Five employee-defendants await trial in Houston, Texas.

Litigation

The Company is a defendant in various other legal matters arising in the normal course of business. In the opinion of management, after consultation with legal counsel, the ultimate resolution of these matters is not expected to have a material effect on the accompanying consolidated financial statements.

Outlook

Economic conditions may remain uncertain in our key markets. The economy in the United States remained weak and is expected only to recover slowly in light of the recent development. Our European business continued to perform strongly despite mixed economic conditions. However, certain Southern European countries are still suffering from their governmental debt crisis.

IFCO is in a strong position to deliver superior services to its customers, employees and shareholders as it diversifies its range of products, extends the geographic network coverage and increases the scale of services. Accordingly, our European RPC Management Services business will continue to leverage our leadership position and market experience to meet or exceed overall market development. We plan to increase our sales initiatives and to continue to expand our geographic presence in Western Europe, Central Eastern Europe (CEE) and South America. In the United States, we continue to realize increases in the overall RPC penetration among grocery food retailers and plan to grow in excess of this market development. Based on our solid RPC business model, we expect that the RPC Management Services businesses will continue to grow in 2011. Our investments to support this growth will be carefully aligned with our business development and are targeted to continually increase the return on our invested capital.

Our focus will remain on new and innovative products and markets where we can achieve profitable growth, as well as continuing to deliver on our ongoing responsibility to our global environment.

Our Pallet Management Services business has recovered from the negative impact of the recent economic downturn, although economic conditions remain challenging. We remain confident that the key competitive advantages of the Pallet Management Services business – the breadth of service offerings, the national network and the value proposition at a national and local level – have not changed and should allow our Pallet Management Services segment to grow revenues and increase profitability in 2011.

We believe that our current assessment of the markets and our business development as described above should result in overall significant gains in both revenues and operational profitability in 2011 as compared to 2010.

Financially, we expect to be able to fund our capital, operational and debt service requirements through our own operating cash flows.

We are excited about the acquisition by Brambles and the value it brings to IFCO and we bring to it. The integration process has started and will present synergies in the near future for the Brambles group.

Financial reconciliations

In addition to measuring key group and segment level cash flow metrics, we measure the profitability of our segments through the use of operating EBITDA and EBIT measures (see reconciliation of our IFRS net (loss) profit to our EBITDA and EBIT below). Our management uses EBITDA and EBIT as key operating measures because they measure operating profits before certain non-operating items, such as ICE related expenses, net financing costs, foreign currency gains and losses, discontinued operations, stock-based compensation expense and income taxes. We believe that the exclusion of these items from segment measurement is appropriate because (1) these items are managed centrally, not by segment members (see analysis of corporate items above), (2) these items are not necessarily indicative of the operating results of our businesses and (3) operating results excluding these items allow investors to see

Reconciliation of Net (loss) profit to EBITDA

US $ in thousands	Q2 2011	Q2 2010	H1 2011	H1 2010
Net (loss) profit	(54,622)	6,110	(49,181)	7,050
Net finance costs	81,009	9,544	90,525	19,828
Income tax provision	9,860	5,277	15,652	8,589
Depreciation expense	12,066	9,660	21,835	20,015
Amortization of other assets	414	325	802	648
Stock-based compensation expense	315	355	509	366
Foreign currency loss	1,366	1,113	339	1,568
Nonrecurring items [1]	2,765	3,953	6,982	9,200
Loss (income) from discontinued operations	25	(259)	25	641
EBITDA	**53,198**	36,078	**87,488**	67,905

Reconciliation of EBITDA to EBIT

US $ in thousands	Q2 2011	Q2 2010	H1 2011	H1 2010
EBITDA	53,198	36,078	87,488	67,905
Depreciation expense	(12,066)	(9,660)	(21,835)	(20,015)
Amortization of other assets	(414)	(325)	(802)	(648)
EBIT	**40,718**	26,093	**64,851**	47,242

[1] 2010 nonrecurring items consist primarily of "ICE related expenses", non deductible VAT, severance payments, one time legal expenses and Pallet Management Services plant restructuring costs. 2011 nonrecurring items consists primarily of "ICE related expenses" and Brambles merger costs. ICE related expenses consist of legal expenses, salaries for employees on leave and the interest accrued on the present value of the ICE settlement obligation.

Summary information by continuing business segment

US $ in thousands	Q2 2011	Q2 2010	% Change	H1 2011	H1 2010	% Change	LTM Q2 2011
Revenues:							
RPC Management Services	141,055	106,046	33.0%	260,450	209,548	24.3%	503,260
Pallet Management Services	89,683	89,179	0.6%	176,014	174,080	1.1%	335,006
	230,738	195,225	18.2%	**436,464**	383,628	13.8%	**838,266**
Gross profit:							
RPC Management Services	40,889	30,411	34.5%	69,676	56,635	23.0%	142,450
Pallet Management Services	15,817	14,073	12.4%	30,050	26,877	11.8%	51,248
	56,706	44,484	27.5%	**99,726**	83,512	19.4%	**193,698**
EBITDA:							
RPC Management Services	44,048	30,590	44.0%	72,102	58,027	24.3%	148,789
Pallet Management Services	10,970	7,976	37.5%	19,699	14,894	32.3%	30,162
Operations subtotal	**55,018**	38,566	42.7%	**91,801**	72,921	25.9%	**178,951**
Corporate	(1,820)	(2,488)	(26.8%)	(4,313)	(5,016)	(14.0%)	(9,703)
	53,198	36,078	47.5%	**87,488**	67,905	28.8%	**169,248**
EBIT:							
RPC Management Services	33,053	22,368	47.8%	52,532	40,915	28.4%	109,329
Pallet Management Services	9,485	6,213	52.7%	16,632	11,343	46.6%	23,734
Operations subtotal	**42,538**	28,581	48.8%	**69,164**	52,258	32.4%	**133,063**
Corporate	(1,820)	(2,488)	(26.8%)	(4,313)	(5,016)	(14.0%)	(9,703)
	40,718	26,093	56.0%	**64,851**	47,242	37.3%	**123,360**
Operating cash flows:							
RPC Management Services	53,997	35,147	53.6%	66,747	56,543	18.0%	163,337
Pallet Management Services	10,891	10,396	4.8%	4,829	1,478	226.7%	18,913
Operations subtotal	**64,888**	45,543	42.5%	**71,576**	58,021	23.4%	**182,250**
Corporate	(7,431)	(5,405)	37.5%	(12,930)	(5,284)	144.7%	(11,045)
	57,457	40,138	43.1%	**58,646**	52,737	11.2%	**171,205**
Capital expenditures:							
RPC Management Services	45,076	27,206	65.7%	77,808	51,500	51.1%	144,597
Pallet Management Services	476	479	(0.6%)	1,155	1,013	14.0%	2,717
Operations subtotal	**45,552**	27,685	64.5%	**78,963**	52,513	50.4%	**147,314**
Corporate	518	287	80.5%	646	370	74.6%	1,467
	46,070	27,972	64.7%	**79,609**	52,883	50.5%	**148,781**

	June 30, 2011	December 31, 2010
Personnel:		
RPC Management Services	822	786
Pallet Management Services	2,852	3,054
Operations subtotal	**3,674**	3,840
Corporate	8	9
	3,682	3,849

IFCO SYSTEMS N.V. and subsidiaries unaudited condensed interim consolidated statements of financial position

US $ in thousands	June 30, 2011	December 31, 2010
Assets		
Non-current assets:		
Goodwill	210,694	204,443
Property, plant and equipment, net	619,951	528,832
Other assets	7,442	8,050
Total non-current assets	**838,087**	741,325
Current assets:		
Receivables, net	253,860	218,083
Inventories	11,861	10,440
Other current assets	21,988	23,699
Cash and cash equivalents	30,449	59,392
Total current assets	**318,158**	311,614
Total assets	**1,156,245**	1,052,939
Equity and liabilities		
Equity attributable to equity holders of the parent:		
Ordinary share capital	629	555
Treasury shares	–	(4,801)
Paid in capital	604,619	497,742
Other reserves	2,579	3,755
Retained earnings	(288,880)	(239,699)
Total equity	**318,947**	257,552
Non-current liabilities:		
Interest bearing loans and borrowings, net of current maturities	260,818	247,067
Finance lease obligations, net of current maturities	41,225	45,834
Other liabilities	26,870	21,885
Total non-current liabilities	**328,913**	314,786
Current liabilities:		
Current maturities of interest bearing loans and borrowings	2,675	4,875
Current maturities of finance lease obligations	25,753	24,493
Provisions	36,931	38,911
Refundable deposits	204,465	178,972
Trade and other payables	173,232	158,014
Other liabilities	65,329	75,336
Total current liabilities	**508,385**	480,601
Total liabilities	**837,298**	795,387
Total equity and liabilities	**1,156,245**	1,052,939

IFCO SYSTEMS N.V. and subsidiaries unaudited condensed interim consolidated income statements

US $ in thousands, except share and per share amounts	Q2 2011	Q2 2010	H1 2011	H1 2010
Revenues	230,738	195,225	436,464	383,628
Cost of sales	174,032	150,741	336,738	300,116
Gross profit	**56,706**	**44,484**	**99,726**	**83,512**
Selling expenses	5,607	5,474	10,866	10,806
General and administrative expenses	14,047	14,441	28,016	28,261
Other operating income, net	(340)	(258)	(333)	(282)
Profit from operating activities	**37,392**	**24,827**	**61,177**	**44,727**
ICE related expenses [1]	(376)	(2,758)	(2,712)	(6,832)
Foreign currency loss, net	(1,366)	(1,113)	(339)	(1,568)
Other income (loss), net	622	(284)	(1,105)	(219)
Net finance costs [2]	(81,009)	(9,544)	(90,525)	(19,828)
(Loss) profit from continuing operations before taxes	**(44,737)**	**11,128**	**(33,504)**	**16,280**
Current income tax provision	(2,738)	(467)	(5,577)	(2,267)
Deferred income tax provision	(7,122)	(4,810)	(10,075)	(6,322)
Income tax provision	**(9,860)**	**(5,277)**	**(15,652)**	**(8,589)**
(Loss) profit before discontinued operations	**(54,597)**	**5,851**	**(49,156)**	**7,691**
(Loss) income from discontinued operations	(25)	259	(25)	(641)
Net (loss) profit	**(54,622)**	**6,110**	**(49,181)**	**7,050**
(Loss) profit per share from continuing operations – basic	(1.06)	0.11	(0.96)	0.15
(Loss) profit per share from continuing operations – diluted	(1.06)	0.11	(0.96)	0.15
Net (loss) profit per share – basic	(1.06)	0.12	(0.96)	0.14
Net (loss) profit per share – diluted	(1.06)	0.12	(0.96)	0.14
Shares on which net profit is calculated:				
Basic [3]	51,674,950	51,256,022	51,468,807	51,251,765
Effect of dilutive stock options	–	117,542	1,875	131,803
Diluted	**51,674,950**	**51,373,564**	**51,470,682**	**51,383,568**

(1) ICE related expenses consist of legal expenses, salaries for employees on leave and the interest accrued on the present value of the ICE settlement obligation.
(2) Q2 2011 and H1 2011 include interest items (redemption premiums and write off of deferred financing costs) affected by the repurchase of the Senior Secured Notes due 2016 of US $70.5 million.
(3) Average outstanding shares during the period.

IFCO SYSTEMS N.V. and subsidiaries unaudited condensed interim consolidated statements of comprehensive income

US $ in thousands	Q2 2011	Q2 2010	H1 2011	H1 2010
Net (loss) profit	(54,622)	6,110	(49,181)	7,050
Currency translation differences	2,423	6,764	(593)	11,042
Income tax effect	(1,604)	–	(583)	–
Other comprehensive income for the period	**819**	6,764	**(1,176)**	11,042
Total comprehensive income for the period	**(53,803)**	12,874	**(50,357)**	18,092

IFCO SYSTEMS N.V. and subsidiaries unaudited condensed interim consolidated statements of changes in equity

US $ in thousands, except share amounts	Ordinary Shares Shares	Treasury Shares Shares	Ordinary Shares Amount	Treasury Shares Amount	Paid in Capital	Retained Earnings	Other Reserves	Total Equity
Balance at December 31, 2009	54,222,214	2,968,719	583	(23,433)	518,927	(266,245)	(6,833)	222,999
Stock-based compensation expense	–	–	–	–	22	–	–	22
Buyback of treasury shares	–	99,148	–	(1,288)	–	–	–	(1,288)
Exercise of stock options funded by treasury shares	–	(84,334)	–	945	(615)	–	–	330
Dividend	–	–	–	–	–	(8,206)	–	(8,206)
Reduction of issued share capital by cancelation of treasury shares	(2,650,000)	(2,650,000)	(28)	20,193	(20,165)	–	–	–
Net profit	–	–	–	–	–	7,050	–	7,050
Other comprehensive income	–	–	–	–	–	–	11,042	11,042
Total comprehensive income	–	–	–	–	–	7,050	11,042	18,092
Balance at June 30, 2010	51,572,214	333,533	555	(3,583)	498,169	(267,401)	4,209	231,949
Balance at December 31, 2010	51,572,214	310,533	555	(4,801)	497,742	(239,699)	3,755	257,552
Stock-based compensation expense	–	–	–	–	316	–	–	316
Deferrred tax on stock-based compensation expense	–	–	–	–	16	–	–	16
Buyback/sale of treasury shares	–	(303,867)	–	4,728	1,510	–	–	6,238
Exercise of stock options funded by treasury shares	–	(6,666)	–	73	(7)	–	–	66
Capital increase/equity clawback	5,121,724	–	74	–	105,042	–	–	105,116
Net loss	–	–	–	–	–	(49,181)	–	(49,181)
Other comprehensive income	–	–	–	–	–	–	(1,176)	(1,176)
Total comprehensive income	–	–	–	–	–	(49,181)	(1,176)	(50,357)
Balance at June 30, 2011	**56,693,938**	**–**	**629**	**–**	**604,619**	**(288,880)**	**2,579**	**318,947**

IFCO SYSTEMS N.V. and subsidiaries unaudited condensed interim consolidated cash flow statements

US $ in thousands	H1 2011	H1 2010
Cash flows from continuing operating activities:		
Net (loss) profit	(49,181)	7,050
ICE related expenses	2,712	6,832
Adjustments for:		
Depreciation and amortization expense of property, plant and equipment	21,835	20,015
Amortization of other assets	802	648
Stock-based compensation expense	509	366
Foreign currency loss, net	339	1,568
Income tax provision	15,652	8,589
Income from equity entity	(336)	–
Gain on sale of property, plant and equipment	(141)	(181)
Net finance costs	90,525	19,828
Loss from discontinued operations	25	641
Cash generated from continuing operations, excluding the cash flow effect of changes in working capital and excluding ICE	**82,741**	**65,356**
Changes in working capital of continuing operations:		
Receivables	(20,919)	(13,738)
Inventories	(1,407)	2,199
Trade and other payables	5,580	2,525
Refundable deposits	10,438	3,936
Other assets and liabilities	(8,069)	4,299
Cash flow effect of changes in operating assets and liabilities of continuing operations	**(14,377)**	**(779)**
Cash generated from continuing operations before income tax payments and excluding ICE	**68,364**	**64,577**
Cash used for ICE	(9,718)	(11,840)
Cash generated from continuing operations before income tax payments and including ICE	**58,646**	**52,737**
Income taxes paid	(4,310)	(2,035)
Cash generated from continuing operating activities	**54,336**	**50,702**
Cash used in discontinued operations	(144)	(509)
Net cash generated from operating activities	**54,192**	**50,193**
Cash flows from investing activities:		
Purchase of RPCs	(74,343)	(50,241)
Purchase of property, plant and equipment	(5,266)	(2,642)
Total capital expenditures	**(79,609)**	**(52,883)**
Proceeds from sale of property, plant and equipment	191	231
Net cash used in investing activities	**(79,418)**	**(52,652)**
Cash flows from financing activities:		
Payback of Senior Secured Notes due 2010	(281,330)	–
Payback of sellers' note	–	(8,850)
Interest paid [(1)]	(79,098)	(17,563)
Interest received	142	151
Proceeds from exercise of stock options	66	330
Net payments of finance lease obligations	(11,304)	(5,905)
Proceeds from revolving loan facility with Brambles	253,277	–
Net proceeds from use of revolving credit facility	–	8,095
Net proceeds from sale of treasury shares (payments for treasury share buyback)	6,238	(1,288)
Proceeds from equity clawback / capital increase	105,116	–
Dividend paid	–	(8,206)
Net cash used in financing activities	**(6,893)**	**(33,236)**
Effect of exchange rate changes on cash and cash equivalents	3,176	(6,780)
Net decrease in cash and cash equivalents	**(28,943)**	**(42,475)**
Cash and cash equivalents, beginning of period	59,392	73,042
Cash and cash equivalents, end of period	**30,449**	**30,567**

[(1)] 2011 interest paid includes the redemption premiums paid for the repurchase of the Senior Secured Notes due 2016 of US $48.4 million.

Selected explanatory notes to unaudited consolidated interim financial statements

Basis of preparation of the second quarter condensed consolidated financial report

This second quarter condensed consolidated financial report as of June 30, 2011, has been prepared in accordance with IAS 34 and therefore does not include all notes of the type normally included within the annual consolidated financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements.

This second quarter condensed interim consolidated financial report should also be read in conjunction with the annual consolidated financial statements of IFCO SYSTEMS N.V. as of December 31, 2010.

The accounting policies adopted in the preparation of the second quarter condensed interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2010, except for the adoption of the new Standards and Interpretations as of January 1, 2011, noted below:

- IAS 24 Related Party Disclosures – Revised definition of related parties
  The revised version of IAS 24 "Related Party Disclosures" simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The revised standard did not have any impact on the consolidated financial statements and the disclosures made on related parties.

- IAS 32 Financial Instruments: Presentation – Amendments relating to Classification of Rights Issues
  For rights issues offered for a fixed amount of foreign currency current practice appears to require such issues to be accounted for as derivative liabilities. The amendment states that if such rights are issued pro rata to an entity's all existing shareholders in the same class for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment did not have an impact on the financial position or performance of the Company.

- Amendment to IFRIC 14 IAS 19 – Prepayments of a Minimum Funding Requirement
  The amendment applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. The Company has currently no defined benefit schemes and, therefore, this interpretation did not have an impact on the financial position or performance of the Company.

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
  IFRIC 19 clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. IFRIC 19 clarifies that the entity's equity instruments issued to a creditor are part of the consideration paid to extinguish the financial liability. IFRIC 19 clarifies that the equity instruments issued are measured at their fair value. If their fair value cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. IFRIC 19 clarifies that the difference between the carrying amount of the financial liability extinguished

and the initial measurement amount of the equity instruments issued is included in the entity's profit or loss for the period. This IFRIC did not have an impact on the financial position or performance of the Company.

Improvements to IFRSs

In May 2010 the IASB issued improvements to IFRSs, an omnibus of amendments to its IFRS standards. The following amendments did not have any material effect on the financial statements.

- IFRS 3 Business Combinations

  Measurement of non-controlling interests

  Specifies that the option to measure non-controlling interests either at fair value or at the proportionate share of the acquiree's net identifiable assets at the acquisition date under IFRS 3 (2008) applies only to non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. All other components of non-controlling interests should be measured at their acquisition date fair value, unless another measurement basis is required by IFRSs.

  Un-replaced and voluntary replaced sharebased payment awards

  Specifies that the current requirement to measure awards of the acquirer that replace acquiree share-based payment transactions in accordance with IFRS 2 at the acquisition date ('market-based measure') applies also to share-based payment transactions of the acquiree that are not replaced. Specifies that the current requirement to allocate the market-based measure of replacement awards between the consideration transferred for the business combination and post-combination remuneration applies to all replacement awards regardless of whether the acquirer is obliged to replace the awards or does so voluntarily.

  Transitional requirements for contingent consideration from a business combination that occurred before the effective date of IFRS 3 (2008)

  Clarifies that IAS 32 Financial Instruments: Presentation, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures do not apply to contingent consideration that arose from business combinations whose acquisition dates preceded the application of IFRS 3 (2008).

- IFRS 7 Financial Instruments: Disclosures

  Clarifications of disclosures

  Encourages qualitative disclosures in the context of the quantitative disclosure required to help users to form an overall picture of the nature and extent of risks arising from financial instruments. Clarifies the required level of disclosure around credit risk and collateral held and provides relief from disclosure of renegotiated loans.

- IAS 1 Presentation of Financial Statements

  Clarification of statement of changes in equity

  Clarifies that an entity may present the analysis of other comprehensive income by item either in the statement of changes in equity or in the notes to the financial statements.

- IAS 27 Consolidated and Separate Financial Statements
  Transitional requirements for consequential amendments as a result of IAS 27 (2008)
  Clarifies that the amendments made to IAS 21 The Effects of Changes in Foreign Rates, IAS 28 Investments in Associates and IAS 31 Interests in Joint Ventures as a result of IAS 27 (2008) should be applied prospectively (with the exception of paragraph 35 of IAS 28 and paragraph 46 of IAS 31, which should be applied retrospectively).

- IFRIC 13 Customer Loyalty Programmes
  Fair value of award credit
  Clarifies that the 'fair value' of award credits should take into account:
  - the amount of discounts or incentives that would otherwise be offered to customers who have not earned award credits from an initial sale; and
  - any expected forfeitures.

In the income statement, the Company used a subtotal "Profit from operating activities" that is a non-GAAP measure and not as such defined by IFRS. The subtotal excludes all costs relating to the ICE investigation, which therefore were reclassified from general and administrative expenses to a separate line outside the operating result due to the magnitude and the non recurring character of these expenses. ICE related expenses consist of legal expenses, salaries for employees on leave and the interest accrued on the present value of the ICE settlement obligation.

Business segments

The following tables present revenue, EBITDA and total assets information regarding the Company's operating segments for H1 2011 and H1 2010, respectively.

US $ in thousands	Continuing Operations				Discontinued Operation	H1 2011 Total Operations
	RPC Management Services	Pallet Management Services	Corporate	Total	Pallet Pooling	
Third party revenues	260,450	176,014	–	436,464	–	436,464
EBITDA	72,102	19,699	(4,313)	87,488	–	87,488
Net finance costs			(90,525)	(90,525)		(90,525)
Depreciation expense			(21,835)	(21,835)		(21,835)
Amortization of other assets			(802)	(802)		(802)
Stock-based compensation expense			(509)	(509)		(509)
Foreign currency loss			(339)	(339)		(339)
Nonrecurring items			(6,982)	(6,982)		(6,982)
Loss from continuing operations before taxes						(33,504)
Total assets	955,493	188,534	12,217	1,156,244	1	1,156,245

US $ in thousands						H1 2010
	Continuing Operations				Discontinued Operation	Total Operations
	RPC Management Services	Pallet Management Services	Corporate	Total	Pallet Pooling	
Third party revenues	209,548	174,080	–	383,628	–	383,628
EBITDA	58,027	14,894	(5,016)	67,905	–	67,905
Net finance costs			(19,828)	(19,828)		(19,828)
Depreciation expense			(20,015)	(20,015)		(20,015)
Amortization of other assets			(648)	(648)		(648)
Stock-based compensation expense			(366)	(366)		(366)
Foreign currency loss			(1,568)	(1,568)		(1,568)
Nonrecurring items			(9,200)	(9,200)		(9,200)
Profit from continuing operations before taxes						16,280
Total assets	693,447	188,723	25,154	907,324	1	907,325

Related parties

Due to the relationship between Mr. Schoeller, one of the Company's Supervisory Board members until May 26, 2011, and Schoeller Arca Systems (SAS), the main supplier of the Company's RPCs, the Company considers SAS to be a related party until May 26, 2011.

The following table provides the total amount of transactions that have been entered into with related parties in H1 2011 (until May 26, 2011) and H1 2010, respectively:

US $ in thousands	Sales and services to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Entities with significant influence over the Company				
SAS				
H1 2011	–	55,403	–	–
H1 2010	–	47,922	–	24,257
Brambles Limited and its subsidiaries				
Q2 2011	788	446	193	260,890

As of June 30, 2010, there were no trade receivables from SAS. As of June 30, 2010, there were trade and other payables from SAS in the amount of US $24.3 million.

From January 1, 2011 until May 26, 2011, Mr. Schoeller received a Supervisory Board remuneration in the amount of US $0.03 million. From April 1, 2011 until May 26, 2011, Mr. Schoeller received a Supervisory Board remuneration in the amount of US $0.01 million (Q2 2010, US $0.02 million).

Brambles Limited, Sydney, as ultimate controlling party owns 99.5% voting rights in IFCO as of June 30, 2011, indirectly. As of June 30, 2011, Brambles Limited, Sydney and its subsidiaries are considered as related parties (since March 31, 2011). As of June 30, 2011, there were US $0.2 million trade receivables from Brambles Limited and its subsidiaries. As of June 30, 2011, there were trade and other payables in the amount of US $0.5 million and a used revolving loan facility of US $260.4 million from Brambles Limited and its subsidiaries.

Terms and conditions of transactions with related parties
The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm‘s length transactions. Outstanding balances at the quarter-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Dividend
On March 24, 2010, the General Meeting of Shareholders of IFCO SYSTEMS N.V. has resolved to adopt the financial statements relating to the year 2009 and to approve the proposal of the Board of Managing Directors and the Supervisory Board to pay to the shareholders a dividend of EUR 0.12 per ordinary share in respect of the financial year 2009. The dividend in the amount of US $8.2 million was paid in April 2010.

Statement of the Board of Directors

The Board of Directors of IFCO SYSTEMS N.V. hereby declares that, to the best of its knowledge:

- the Semi-Annual Financial Statements for the period ended June 30, 2011 give a true and fair view of the assets, liabilities, financial position and profits or losses of IFCO SYSTEMS N.V. and undertakings included in the consolidation taken as a whole; and

- this Semi-Annual Board Report (which includes the press release issued on August 16, 2011) gives a true and fair view of the position as per the balance sheet date, and of the development and performance during the first half of the 2011 financial year and expected course of events of IFCO SYSTEMS N.V. and undertakings included in the consolidation taken as a whole. This Semi-Annual Board Report has paid special attention to investments and circumstances upon which the development of revenues and profitability is dependent, as these have been described herein.

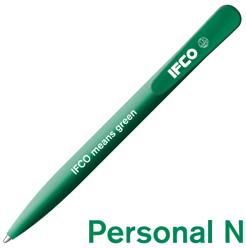
Cautionary note

Cautionary note regarding forward looking statements

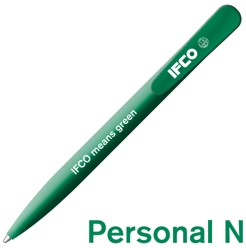
Some of the statements contained in this report discuss future expectations, contain projections of results of operations or financial condition of IFCO, or state other forward-looking information. These statements may include financial information and/or statements for periods following the period covered by this report. You can find many of these statements by looking for words like believes, expects, anticipates, estimates, or similar expressions used in this report.

These forward-looking statements may be affected by known and unknown risks, uncertainties, and other factors that could cause the actual results to differ materially from those contemplated by the statements. The forward-looking information is based on various factors and was derived using numerous assumptions that we believe to be reasonable. Risks and uncertainties are included in a separate section of this report.

Important factors that could cause our actual results to be materially different from the forward-looking statements are also discussed throughout this report.



Personal Notes



Personal Notes

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