IFCO SYSTEMS N.V.

Q1 2009 Report

Content

Basis of Presentation

To help the stakeholders of IFCO SYSTEMS N.V. (IFCO SYSTEMS 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 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 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 occur, to a lesser extent, 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 2008 to Q1 2009 between the Euro and the US Dollar. Accordingly, we have described certain comparative information below as currency adjusted information, whereby 2008 income statement and financial position figures have been translated to US Dollars using applicable 2009 currency exchange rates. Unless otherwise noted, no 2008 figures in tabular form are currency adjusted.

IFCO SYSTEMS GmbH, an indirect subsidiary of IFCO SYSTEMS N.V., acquired all of the shares of STECO Holding GmbH and its subsidiaries during 2008. We refer to this acquired group as STECO herein. STECO was consolidated for the first time commencing April 16, 2008. Accordingly, Q1 2008 results do not reflect the results of STECO activities.

Corporate Developments

Board of Managing Directors

On March 27, 2009, the Annual General Meeting of Shareholders (GMS) accepted the resignation of Douwe Terpstra as per the date of the GMS and granted him full and final discharge for his management of the Company and appointed Robert Verdonk as member of the Board of Managing Directors as per the date of the GMS, for a period of four years.

Supervisory Board

On March 27, 2009, the GMS accepted the resignation of Dr. Phillip Gusinde as per the date of the GMS and granted him full and final discharge for his management of the Company and appointed Korbinian Knoblach as member of the Supervisory Board as per the date of the GMS, for a period of four years.

On March 27, 2009, the GMS reappointed Dr. Bernd Malmström, Christoph Schoeller, Ralf Gruss, Michael Phillips and Hervé Defforey as members of the Supervisory Board as per the date of the GMS for a period of four years.

Amendment of Articles of Association

As a result of the implementation of new legislation in the Netherlands, the Company's Articles of Association were amended in conformity with the draft Deed of Amendment of the Articles of Association dated February 20, 2009 as of the date of the GMS.

Group consolidated financial highlights – 2009 vs. 2008

Operations data

US $ in thousands, except per share amounts	Q1 2009	Q1 2008	% Change	LTM Q1 2009
Revenues	169,856	167,807	1.2%	737,937
Gross profit	31,041	26,204	18.5%	137,014
Gross profit margin	18.3%	15.6%		18.6%
Selling, general and administrative expenses [(1)]	18,479	15,301	20.8%	76,935
Selling, general and administrative expenses as a percentage of revenues	10.9%	9.1%		10.4%
EBITDA	24,188	22,285	8.5%	112,947
EBITDA margin	14.2%	13.3%		15.3%
EBIT	14,741	11,510	28.1%	71,026
EBIT margin	8.7%	6.9%		9.6%
Profit from continuing operations before taxes	5,791	4,489	29.0%	5,824
Net profit (loss)	2,336	1,292	80.8%	(4,994)
Profit (loss) per share from continuing operations – basic	0.05	0.03	77.4%	(0.11)
Profit (loss) per share from continuing operations – diluted	0.05	0.03	84.3%	(0.11)
Net profit (loss) per share – basic	0.04	0.02	82.3%	(0.09)
Net profit (loss) per share – diluted	0.04	0.02	83.7%	(0.09)
Operating cash flows from continuing operations [(2)]	4,262	(28,773)		90,177
Capital expenditures from continuing operations	11,473	7,421	54.6%	93,005
Return on capital employed (ROCE) [(3)]	15.2%	16.8%		
Currency Adjusted:				
Revenues	169,856	160,565	5.8%	717,553
Gross profit	31,041	24,896	24.7%	132,749
EBITDA	24,188	21,016	15.1%	109,074
EBIT	14,741	11,025	33.7%	69,145

(1) The Company reclassified the Income Statement of Q1 2008 regarding ICE related expenses of US $0.6 million, which are presented in a separate line. Q1 2008 amortization of other assets US $0.2 million (shown as part of other income, net in the condensed Income Statement of Q1 2008) and Q1 2008 stock based compensation expenses US $0.04 million are no longer presented in a separate line and are reclassified to SG&A.
(2) Operating cash flows presented above as calculated under IFRS are prior to interest and income tax payments.
(3) 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.

Group consolidated financial highlights – 2009 vs. 2008

Financial position data

US $ in thousands	March 31, 2009	December 31, 2008	% Change
Cash and cash equivalents	16,005	31,506	(49.2%)
Property, plant and equipment	422,085	435,691	(3.1%)
Total debt, including finance lease obligations	284,007	291,494	(2.6%)
Net debt [1]	268,002	259,988	3.1%
Net debt currency adjusted	268,002	248,100	8.0%
Shareholders equity	245,545	243,323	0.9%
Headcount of continuing operations (as of the respective financial position dates)	3,962	4,255	(6.9%)

Cash flows

US $ in thousands	Q1 2009	Q1 2008 [2]
Cash and cash equivalents, beginning of period	31,506	35,511
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	22,320	21,972
Cash flow effect of changes in working capital	(13,517)	(49,836)
Operating cash flows of continuing operations, prior to income tax payments and excluding ICE	**8,803**	**(27,864)**
Cash used for ICE	(4,541)	(909)
Operating cash flows of continuing operations, prior to income tax payments and including ICE	**4,262**	**(28,773)**
Income taxes paid	(1,141)	(1,582)
Operating cash flows of continuing operations	**3,121**	**(30,355)**
Operating cash flows of discontinued operations	(189)	(63)
	2,932	**(30,418)**
Investing cash flows	**(11,517)**	(7,421)
Financing cash flows	**(5,318)**	22,662
Effect of exchange rate changes on cash and cash equivalents	(1,598)	1,528
Cash and cash equivalents, end of period	**16,005**	21,862

[1] Net debt includes cash and cash equivalents, all interest bearing debt and current and non-current finance lease obligations.
[2] The Company reclassified the Cash Flow Statement of Q1 2008 regarding the cash used for ICE of US $0.9 million (resulting in an increase in cash generated from continuing operations by US $0.6 million and a decrease of changes in working capital of US $0.3 million), which is presented in a separate line.

IFCO SYSTEMS' group revenues and operational profitability grew in Q1 2009. RPC Management Services resisted the economic downturn and increased revenue and EBITDA significantly. However, in line with management's expectations, revenue and EBITDA in our Pallet Management Services business segment declined as a result of the effects of the US economic recession.

- Revenues on a group level increased by US $2.0 million, or 1.2%, to US $169.9 million (currency adjusted by US $9.3 million, or 5.8%, to US $169.9 million) in Q1 2009. RPC Management Services' Q1 2009 revenues increased by US $13.6 million, or 19.3%, to US $84.1 million (currency adjusted by US $20.8 million, or 32.9%, to US $84.1 million) compared to Q1 2008, as a result of organic growth in our European business, the effects of the Q2 2008 STECO acquisition, and accelerating growth in our US RPC Management Services business. Pallet Management Services' revenues fell by US $11.5 million, or 11.9%, to US $85.7 million compared to the prior year quarter. Although key product volumes increased compared to Q1 2008, increasing pricing pressure resulting from lowered overall market demand and structural and planned downsizing of our Custom Crating division drove revenues lower in this segment.
- Gross profit margin on a group level increased in Q1 2009 by 2.7 percentage points to 18.3%. RPC Management Services' gross profit margin grew significantly from 17.2% to 22.3% in Q1 2009, with improvements in both the US and European businesses. RPC Management Services benefited in Europe from increasing synergies resulting from the integration of the former STECO organization and in the US primarily from sustainable economies of scales effects and lower transportation costs. Gross profit margin in the Pallet Management Services business was down slightly to 14.3% from 14.5% in Q1 2008, with the effects of lower customer prices largely offset by lower raw materials costs and fuel prices.
- Selling, general and administrative expenses (SG&A) increased by US $3.2 million, or 20.8%, to US $18.5 million in Q1 2009. This is mainly the result of the Q2 2008 STECO acquisition, SG&A incurred by the new Brazilian organization and higher bad debt accruals following higher volumes in RPC Europe. SG&A as a percentage of revenues increased from 9.1% in Q1 2008 to 10.9% in Q1 2009.
- EBITDA increased by US $1.9 million, or 8.5%, to US $24.2 million in Q1 2009 (currency adjusted by US $3.2 million, or 15.1%, to US $24.2 million), with LTM Q1 2009 EBITDA at US $112.9 million. EBITDA in the RPC Management Services business segment increased by 24.3% to US $19.5 million in Q1 2009 compared to Q1 2008 (currency adjusted by US $5.3 million, or 37.3%, to US $19.5 million). Pallet Management Services' EBITDA decreased by 21.1% to US $6.5 million in Q1 2009 compared to Q1 2008.
- EBITDA margin on group level increased as a result of the items above to 14.2% in Q1 2009 from 13.3% in Q1 2008.
- EBIT increased by US $3.2 million, or 28.1%, to US $14.7 million in Q1 2009 (currency adjusted by US $3.7 million, or 33.7%, to US $14.7 million), with LTM Q1 2009 EBIT at US $71.0 million.
- Net profit increased by US $1.0 million, or 80.8%, to US $2.3 million in Q1 2009, mainly resulting from the net operational improvements discussed above and a foreign currency gain in Q1 2009, which were offset by higher ICE related expenses, increased net interest expenses and a higher income tax provision.

Group consolidated financial highlights – 2009 vs. 2008

- As a result of the above, basic profit per ordinary share from continuing operations increased to US $0.05 in Q1 2009 from US $0.03 in Q1 2008.
- ROCE from continuing operations, on a LTM basis, decreased to 15.2% as of March 31, 2009, compared to 16.8% as of March 31, 2008, although sequentially higher than the Q4 2008 level of 14.7%. The decrease compared to prior year quarter was caused by the significantly lower ROCE of the STECO organization. The sequential improvements of last quarters are in part the result of the successful integration of STECO's organization into the IFCO SYSTEMS organization.
- IFCO SYSTEMS generated cash from continuing operations, excluding the cash flow effect of changes in working capital and income tax payments and excluding ICE of US $22.3 million in Q1 2009 compared to US $ 22.0 million in Q1 2008.
- Operating cash flows from continuing operations before income tax payments generated US $4.3 million in Q1 2009, compared to a net use of cash of US $28.8 million in Q1 2008. The cash outflow in Q1 2008 was primarily caused by reduced refundable deposit levels and other related effects on working capital following the termination of the EDEKA contract in Europe.
- Our capital expenditure levels increased by US $4.1 million, or 54.6%, to US $11.5 million during Q1 2009. Following the loss of a key retail contract in early 2008, our European RPC division temporarily reduced its RPC pool investments until replacement retail contracts were adequately in place. Following the improved usage of the RPC pool in Europe and the realized growth, this division is continuing to invest in its RPC pool in Q1 2009, resulting in an overall increase in capital expenditures compared to Q1 2008. This increase has been partially offset by significantly lower costs of raw materials for all of our RPC pools in Q1 2009, reducing the average per unit acquisition cost of a new RPC in Q1 2009 as compared to Q1 2008.
- Net debt increased by US $8.0 million as of March 31, 2009 compared to December 31, 2008, as a result of expected working capital swings in Q1 2009. Net debt on a currency adjusted basis grew by US $19.9 million.
- Our sources of liquidity currently include cash from operations, cash and cash equivalents on hand, amounts available under our working capital credit facility and certain factoring agreements. As of May 8, 2009, our liquidity was US $24.0 million. We believe that our sources are sufficient to finance our future capital and operational requirements in accordance with our business plans.
- Since Q1 2004, one of the Company's indirect European subsidiaries has been a party to a €44.0 million credit facility (the Facility), whose purpose is to provide for liquidity as necessary for capital or working capital requirements and to provide a mechanism to secure certain letter of credit requirements. The Facility's current maturity date is July 2010. In Q2 2008, the Facility was increased to €65.0 million, with a cash line of €54.0 million and up to €11.0 million in issued letters of credit. During Q4 2008, the Facility was amended so that the cash line was reduced from €54.0 million to €52.5 million, and the letters of credit line was increased from €11.0 million to €12.5 million. On February 17, 2009, the financial covenants under the Facility were amended in light of the uncertain economic environment and the Facility, the cash line was increased from €52.5 million to €53.15 million, and the letters of credit line was reduced from €12.5 million to €11.85 million.

RPC Management Services

US $ in thousands, except RPC data	Q1 2009	Q1 2008	% Change
Revenues	84,123	70,527	19.3%
Gross profit	18,760	12,126	54.7%
Gross profit margin	22.3%	17.2%	
EBITDA	19,535	15,713	24.3%
EBITDA margin	23.2%	22.3%	
EBIT	11,767	6,404	83.7%
EBIT margin	14.0%	9.1%	
Total RPC trips (in thousands)	105,312	76,680	37.3%
RPC pool size (end of period, in thousands)	96,783	84,129	15.0%
Average RPC annualized turns	4.36	3.62	20.4%
Currency Adjusted:			
Revenues	84,123	63,285	32.9%
Gross profit	18,760	10,818	73.4%
EBITDA	19,535	14,227	37.3%
EBIT	11,767	5,702	106.4%

Revenues

- RPC Management Services' revenues in Q1 2009 increased by US $13.6 million, or 19.3%, to US $84.1 million (currency adjusted by US $20.8 million, or 32.9%, to US $84.1 million), compared to Q1 2008. This increase is primarily due to organic growth in RPC Europe, the acquisition of STECO, significant growth in RPC US and growing volumes in IFCO South America.
- Total trips increased by 28.6 million, or 37.3%, to 105.3 million in Q1 2009. These gains resulted from organic growth in our core business in Europe, approximately 14.9 million trips in Q1 2009 resulting from the STECO business, a near tripling of our South American business volumes as new retail business in Brazil has been initiated, and continued retailer and market share expansion in our United States RPC business.
- Compared to Q1 2008, our average per trip pricing levels declined, primarily due to the integration of STECO and the increasing South American business. While average pricing in these businesses are comparably lower, the operating and capital cost structure required to support this business is also significantly lower.
- The annualized turns of our global RPC pool increased to 4.36 turns during Q1 2009 compared to 3.62 in Q1 2008, as a result of better overall pool utilization in Europe and the US, as well as the significantly faster turns realized in our South American business.

Operational expenses and profitability

- RPC Management Services' gross profit increased by US $6.6 million, or 54.7%, to US $18.8 million in Q1 2009. Gross profit margin grew by 5.1 percentage points to 22.3% in Q1 2009. Gross profit margin in our core European business benefited from increasing synergies following the integration of the former STECO organization. US business gross profit increased as a result of the favorable fixed cost leverage effects of higher volumes and lower fuel costs. The RPC business lowered depreciation levels following an increase in the estimated useful life of our RPC pool from 8 to 10 years in Q3 2008.

Segment Information

- SG&A increased in Q1 2009 compared to Q1 2008 as a result of the Q2 2008 STECO acquisition, SG&A incurred by the new Brazilian organization and higher bad debt accruals due to higher volumes in RPC Europe.
- As a result of the items discussed above, our RPC Management Services EBITDA increased by US $3.8 million, or 24.3%, to US $19.5 million during Q1 2009 (currency adjusted by US $5.3 million, or 37.3%, to US $19.5 million).
- EBITDA margin improved to 23.2% in Q1 2009 from 22.3% in Q1 2008.
- Our RPC Management Services EBIT significantly increased by US $5.4 million, or 83.7%, to US $11.8 million during Q1 2009 (currency adjusted by US $6.1 million, or 106.4%, to US $11.8 million).

Pallet Management Services

US $ in thousands	Q1 2009	Q1 2008	% Change
Revenues	85,733	97,280	(11.9%)
Gross profit	12,281	14,078	(12.8%)
Gross profit margin	14.3%	14.5%	
EBITDA	6,516	8,260	(21.1%)
EBITDA margin	7.6%	8.5%	
EBIT	4,837	6,794	(28.8%)
EBIT margin	5.6%	7.0%	

Revenues

- Revenues decreased by US $11.5 million, or 11.9%, to US $85.7 million in Q1 2009.
- The economic recession in the US has resulted in overall lower market demand, creating a challenging pricing environment. One of the Company's strategies during this recession has been to utilize the raw materials it derives from its retail relationships to increase its market share. This strategy has so far been successful, with volume gains in the sales of our key products in Q1 2009 as compared to Q1 2008, even as gross domestic product in the US is expected to have declined by 6.1% (according to advance estimates). However, this strategy has resulted in temporarily lower pricing and reduced revenues. Additionally, we have made several decisions to reduce the scope of our smaller Custom Crating division, which also contributed to the overall revenue decline.

Operational expenses and profitability

- Gross profit margin in our Pallet Management Services division decreased slightly by 0.2 percentage points to 14.3% in Q1 2009. The gross profit margin decrease is due to effects of the pricing pressure described above, higher distances in transporting finished goods to balance inventories across the organization and an increase in depreciation as a result of continued investments in the Company's trailer fleet. These negative effects have been largely offset by lower raw materials costs, whose average cost has also declined during the economic recession, and lower fuel costs.
- Total SG&A expenses were nearly flat during Q1 2009 compared to Q1 2008.

- As a result of the items discussed above, our Pallet Management Services EBITDA decreased by US $1.7 million, or 21.1%, to US $6.5 million in Q1 2009 compared to US $8.3 million in Q1 2008.
- EBITDA margin declined to 7.6% in Q1 2009 from 8.5% in Q1 2008.
- EBIT decreased by US $2.0 million, or 28.8%, to US $4.8 million in Q1 2009 compared to US $6.8 million in Q1 2008.

Corporate

US $ in thousands	Q1 2009	Q1 2008	% Change
EBITDA	(1,863)	(1,688)	10.4%
EBIT	(1,863)	(1,688)	10.4%
Net finance costs	6,242	5,946	5.0%
Foreign currency gain (loss), net	1,146	(122)	
Income tax provision	3,320	3,085	7.6%
Loss from discontinued operations	(135)	(112)	20.5%

EBIT

Our corporate EBIT fell by US $0.2 million in Q1 2009 compared to Q1 2008.

Net finance costs

Our net borrowing costs increased by US $0.3 million, primarily as a result of the interest on the STECO sellers‘ note and increased interest for finance lease obligations during Q1 2009 as compared to Q1 2008.

Foreign currency gain (loss), net

Our foreign currency gains and losses are the result of exchange rate fluctuations between the Euro and other local European currencies, the Euro and the US Dollar and between the Euro and the Brazil Real.

Income tax provision

Our income tax provision in Q1 2009 consists of a deferred income tax provision of approximately US $1.3 million (Q1 2008: US $1.3 million) and approximately US $2.0 million of current income tax provision accruals (Q1 2008: US $1.8 million).

Discontinued operations

In February 2002, we completed the sale of a majority of the assets of our industrial container services operations to Industrial Container Services, Inc. (ICS).

During Q3 2003, two lawsuits were filed, naming as defendants the Company and certain of its subsidiaries as well as a number of the customers, ICS and certain affiliates of ICS, based upon alleged discharges of contaminants, toxic substances and chemicals from one of our drum facilities in Chicago on or before mid-2001. In the beginning of Q2 2007, the class action allegations were dismissed from one of the cases and a group of unnamed class members filed a separate lawsuit patterned after the other two against certain subsidiaries of the Company. IFCO SYSTEMS N.V. itself was not named

Segment Information

a party in this separate lawsuit. At this stage, the Company cannot accurately assess the potential merit or consequences of these claims. The Company intends to defend these claims vigorously. However, if these claims have a negative outcome to the Company or to parties to whom the Company owes indemnities, such claims could have a material adverse effect on the Company's business, liquidity, results of operation and financial condition.

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 USD $20.7 million, with approximately USD $2.6 million paid in Q1 2009, then approximately USD $6 million due in each of January 2010, January 2011, and January 2012. The Company has agreed to guarantee the making of these payments by the U.S. Subsidiaries.

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

As the financial crisis that unfolded in 2008 spreads to the worldwide economy, it is expected that the global economic environment will be very challenging in 2009. While we anticipate the economy in both Europe and the United States, our two key markets, to decline overall in 2009, it is expected that these economies will begin to recover in 2010.

It is expected that our RPC Management Services business will not materially suffer from the worldwide economic downturn, as the grocery food retail industry, which is our main customer base, will not be as strongly affected as other industries.

Therefore, the European RPC Management Services business will continue to leverage our leadership position and market experience to meet or exceed overall market development. We will increase our sales initiatives and continue to expand geographic presence in Western Europe, Central Eastern Europe and South America. In the United States, we expect an increase in the overall RPC penetration among grocery food retailers and expect to grow in excess of this market development. Based on our solid RPC business model, the RPC Management Services businesses is expected to grow in 2009. Therefore, we will continue to invest in our RPC pool during 2009. These investments, however, will be carefully aligned with our business development and are targeted to increase the return on our invested capital.

We expect that Pallet Management Services business will be negatively affected by the overall economic decline in the United States in 2009, primarily as a result of pressure on prices from this lower demand. However, we remain confident that the key competitive advantages of 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 will allow our Pallet Management Services segment to increase volumes and market share in 2009 and sustain our existing leadership position.

Although the economic environment in 2009 will remain uncertain for a large part of the year, we believe that the above described trends will result in increased revenues and profitability in 2009 as compared to 2008.

Financially, we are in a position to be able to fund our capital, operational and debt service requirements through our own operational cash flows.

We are currently looking at various refinancing options including high yield bonds to address mid-2010 maturities.

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 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 our businesses as they are measured by management. Other companies may use different measures or calculate these measures differently, and their figures may not be comparable to ours.

Reconciliation of Net profit to EBITDA

US $ in thousands	Q1 2009	Q1 2008
Net profit	2,336	1,292
Net finance costs	6,242	5,946
Income tax provision	3,320	3,085
Depreciation expense	9,163	10,604
Amortization of other assets	284	171
Stock-based compensation expense	120	42
Foreign currency (gain) loss	(1,146)	122
Nonrecurring items [1]	3,734	911
Loss from discontinued operations	135	112
EBITDA	**24,188**	22,285

Reconciliation of EBITDA to EBIT

US $ in thousands	Q1 2009	Q1 2008
EBITDA	24,188	22,285
Depreciation expense	(9,163)	(10,604)
Amortization of other assets	(284)	(171)
EBIT	**14,741**	11,510

(1) Q1 2008 nonrecurring items consist of the legal costs associated with the ICE investigation and professional fees. Q1 2009 nonrecurring items consist of "ICE related expenses" and the operating result of ILD Logistik + Transport GmbH, which was a part of the STECO acquisition, however will be liquidated. ICE related expenses consist of legal expenses, salaries for employees on leave and the interest accrued on the present value ICE settlement obligation.

Summary information by continuing business segment

US $ in thousands	Q1 2009	Q1 2008	% Change
Revenues:			
RPC Management Services	84,123	70,527	19.3%
Pallet Management Services	85,733	97,280	(11.9%)
	169,856	**167,807**	**1.2%**
Gross profit:			
RPC Management Services	18,760	12,126	54.7%
Pallet Management Services	12,281	14,078	(12.8%)
	31,041	**26,204**	**18.5%**
EBITDA:			
RPC Management Services	19,535	15,713	24.3%
Pallet Management Services	6,516	8,260	(21.1%)
Operations subtotal	**26,051**	**23,973**	**8.7%**
Corporate	(1,863)	(1,688)	10.4%
	24,188	**22,285**	**8.5%**
EBIT:			
RPC Management Services	11,767	6,404	83.7%
Pallet Management Services	4,837	6,794	(28.8%)
Operations subtotal	**16,604**	**13,198**	**25.8%**
Corporate	(1,863)	(1,688)	10.4%
	14,741	**11,510**	**28.1%**
Operating cash flows:			
RPC Management Services	6,015	(27,343)	
Pallet Management Services	(1,775)	(1,561)	13.7%
Operations subtotal	**4,240**	**(28,904)**	
Corporate	22	131	(83.3%)
	4,262	**(28,773)**	
Capital expenditures:			
RPC Management Services	10,764	6,170	74.5%
Pallet Management Services	537	881	(39.0%)
Operations subtotal	**11,301**	**7,051**	**60.3%**
Corporate	172	370	(53.5%)
	11,473	**7,421**	**54.6%**
	March 31, 2009	December 31, 2008	
Personnel:			
RPC Management Services	778	855	(9.0%)
Pallet Management Services	3,176	3,392	(6.4%)
Operations subtotal	**3,954**	**4,247**	**(6.9%)**
Corporate	8	8	0.0%
	3,962	**4,255**	**(6.9%)**

Q1 2009 Report

IFCO SYSTEMS N.V. and subsidiaries condensed unaudited consolidated financial positions

US $ in thousands	March 31, 2009	December 31, 2008
Assets		
Non-current assets:		
Goodwill	202,883	205,317
Property, plant and equipment, net	422,085	435,691
Other assets	11,255	13,258
Total non-current assets	**636,223**	654,266
Current assets:		
Receivables, net	154,429	158,823
Inventories	17,483	17,535
Other current assets	19,416	25,579
Cash and cash equivalents	16,005	31,506
Total current assets	**207,333**	233,443
Total assets	**843,556**	887,709
Equity and liabilities		
Equity attributable to equity holders of the parent:		
Ordinary share capital	583	583
Treasury shares	(8,150)	(8,150)
Paid in capital	522,086	521,966
Other reserves	(4,796)	(4,562)
Retained earnings	(264,178)	(266,514)
Total equity	**245,545**	243,323
Non-current liabilities:		
Interest bearing loans and borrowings, net of current maturities	162,261	169,743
Finance lease obligations, net of current maturities	34,592	34,677
Other liabilities	18,818	24,626
Total non-current liabilities	**215,671**	229,046
Current liabilities:		
Current maturities of interest bearing loans and borrowings	67,970	65,830
Current maturities of finance lease obligations	19,184	21,244
Provisions	13,978	15,494
Refundable deposits	125,636	133,046
Trade and other payables	103,649	128,576
Other liabilities	51,923	51,150
Total current liabilities	**382,340**	415,340
Total liabilities	**598,011**	644,386
Total equity and liabilities	**843,556**	887,709

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

US $ in thousands, except share and per share amounts	Q1 2009	Q1 2008 [1]
Revenues	169,856	167,807
Cost of sales	138,815	141,603
Gross profit	**31,041**	**26,204**
Selling expenses	5,044	3,760
General and administrative expenses	13,435	11,541
Other income, net	(202)	(259)
Profit from operating activities	**12,764**	**11,162**
ICE related expenses [2]	(1,851)	(592)
Foreign currency gain (loss), net	1,146	(122)
Other loss, net	(26)	(13)
Net finance costs	(6,242)	(5,946)
Profit from continuing operations before taxes	**5,791**	**4,489**
Current income tax provision	(2,024)	(1,739)
Deferred income tax provision	(1,296)	(1,346)
Income tax provision	**(3,320)**	**(3,085)**
Profit before discontinued operations	**2,471**	**1,404**
Loss from discontinued operations	(135)	(112)
Net profit	**2,336**	**1,292**
Profit per share from continuing operations – basic	0.05	0.03
Profit per share from continuing operations – diluted	0.05	0.03
Net profit per share – basic	0.04	0.02
Net profit per share – diluted	0.04	0.02
Shares on which net profit is calculated:		
Basic [3]	53,473,175	53,907,272
Effect of dilutive stock options	–	416,131
Diluted	**53,473,175**	**54,323,403**

[1] The Company reclassified the Income Statement of Q1 2008 regarding ICE related expenses of US $0.6 million, which are presented in a separate line. Q1 2008 amortization of other assets US $0.2 million (shown as part of other income, net in the condensed Income Statement of Q1 2008) and Q1 2008 stock based compensation expenses US $0.04 million are no longer presented in a separate line and are reclassified to SG&A.

[2] ICE related expenses consist of legal expenses, salaries for employees on leave and the interest accrued on the present value ICE settlement obligation.

[3] Average outstanding shares during the period.

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

US $ in thousands	Q1 2009	Q1 2008
Net profit	2,336	1,292
Currency translation differences	(234)	(961)
Other comprehensive income for the period	**(234)**	**(961)**
Total comprehensive income for the period	**2,102**	**331**

IFCO SYSTEMS N.V. and subsidiaries unaudited 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, 2007	54,222,214	269,946	583	(3,205)	522,545	(260,476)	(4,821)	254,626
Stock-based compensation expense	–	–	–	–	42	–	–	42
Buyback of treasury shares	–	86,387	–	(995)	–	–	–	(995)
Exercise of stock options funded by treasury shares	–	(5,000)	–	78	(66)	–	–	12
Net profit	–	–	–	–	–	1,292	–	1,292
Other comprehensive income	–	–	–	–	–	–	(961)	(961)
Total comprehensive income	–	–	–	–	–	**1,292**	**(961)**	**331**
Balance at March 31, 2008	**54,222,214**	**351,333**	**583**	**(4,122)**	**522,521**	**(259,184)**	**(5,782)**	**254,016**
Balance at December 31, 2008	54,222,214	749,039	583	(8,150)	521,966	(266,514)	(4,562)	243,323
Stock-based compensation expense	–	–	–	–	120	–	–	120
Net profit	–	–	–	–	–	2,336	–	2,336
Other comprehensive income	–	–	–	–	–	–	(234)	(234)
Total comprehensive income	–	–	–	–	–	**2,336**	**(234)**	**2,102**
Balance at March 31, 2009	**54,222,214**	**749,039**	**583**	**(8,150)**	**522,086**	**(264,178)**	**(4,796)**	**245,545**

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

US $ in thousands	Q1 2009	Q1 2008 [1]
Cash flows from continuing operating activities:		
Net profit	2,336	1,292
ICE related expenses	1,851	592
Adjustments for:		
Depreciation and amortization expense of property, plant and equipment	9,163	10,604
Amortization of other assets	284	171
Stock-based compensation expense	120	42
Foreign currency (gain) loss, net	(1,146)	122
Income tax provision	3,320	3,085
Income from equity entities	–	(22)
Loss on sale of property, plant and equipment	15	28
Net finance costs	6,242	5,946
Loss from discontinued operations	135	112
Cash generated from continuing operations, excluding the cash flow effect of changes in working capital and excluding ICE	**22,320**	**21,972**
Changes in working capital of continuing operations:		
Receivables	(769)	21,161
Inventories	40	(1,946)
Trade and other payables	(20,176)	(43,471)
Refundable deposits	(1,101)	(20,136)
Other assets and liabilities	8,489	(5,444)
Cash flow effect of changes in operating assets and liabilities of continuing operations	**(13,517)**	**(49,836)**
Cash generated from (used in) continuing operations before income tax payments and excluding ICE	**8,803**	**(27,864)**
Cash used for ICE	(4,541)	(909)
Cash generated from (used in) continuing operations before income tax payments and including ICE	**4,262**	**(28,773)**
Income taxes paid	(1,141)	(1,582)
Cash generated from (used in) continuing operating activities	**3,121**	**(30,355)**
Cash used in discontinued operations	(189)	(63)
Net cash generated from (used in) operating activities	**2,932**	**(30,418)**
Cash flows from investing activities:		
Purchase of RPCs	(9,528)	(4,839)
Purchase of property, plant and equipment	(1,945)	(2,582)
Total capital expenditures	**(11,473)**	**(7,421)**
Proceeds from sale of property, plant and equipment	(44)	–
Net cash used in investing activities	**(11,517)**	**(7,421)**
Cash flows from financing activities:		
Principal payments of long-term debt	(3)	(2)
Interest paid	(9,432)	(9,516)
Interest received	24	44
Proceeds from exercise of stock options	–	12
Net payments of finance lease obligations	(99)	(6,228)
Net proceeds from use of working capital facility	4,192	39,347
Payments for treasury share buyback	–	(995)
Net cash (used in) provided by financing activities	**(5,318)**	**22,662**
Effect of exchange rate changes on cash and cash equivalents	(1,598)	1,528
Net decrease in cash and cash equivalents	**(15,501)**	**(13,649)**
Cash and cash equivalents, beginning of period	31,506	35,511
Cash and cash equivalents, end of period	**16,005**	**21,862**

[1] The Company reclassified the Cash Flow Statement of Q1 2008 regarding the cash used for ICE of US $0.9 million (resulting in an increase in cash generated from continuing operations by US $0.6 million and a decrease of changes in working capital (other assets and liabilities) of US $0.3 million), which is presented in a separate line.

Notes to consolidated financial statements

Basis of preparation of the first quarter financial report

This first quarter financial report has been prepared in accordance with IAS 34 and therefore does not include all notes of the type normally included within the annual financial report 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 report.

This first quarter interim financial report should also be read in conjunction with the annual financial report of IFCO SYSTEMS N.V. as of December 31, 2008.

The accounting policies adopted in the preparation of the first quarter interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2008, except for the adoption of the new Standards and Interpretations as of January 1, 2009, noted below:

- IAS 1 – Presentation of Financial Statements - Revised
  The standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognized income and expense, either in one single, or in two linked statements. The Company has elected to present two statements.

- IAS 23 - Borrowing Costs – Revised
  The standard has been revised to require capitalization of borrowing costs when such costs relate to a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. In accordance with the transitional requirement in the Standard, the Company has adopted this prospective change. Accordingly, borrowing costs are capitalized on qualifying assets with a commencement date after January 1, 2009. No changes have been made for borrowing costs incurred prior to this date that have been expensed.

- IAS 32 Financial Instruments - Presentation and IAS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation
  The revisions provide a limited scope exception for puttable instruments to be classified as equity if they fulfill a number of specified features. The amendments to the standards did not have any impact on the financial position or performance of the Company, as the Company has not issued such instruments.

- IFRS 2 Share based Payment (Revised)
  The revised standard clarifies the definition of a vesting condition and describes the treatment for an award that is effectively cancelled. This revised standard did not have any impact on the Company's financial position or performance.

- IFRS 7 Financial Instruments: Disclosures
  The amended standard requires additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, a reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. The fair value measurement disclosures and the liquidity risk disclosures are not impacted by the amendments.

- IFRS 8 Operating Segments
  This standard requires disclosure information about the Company's operating segments and replaced the requirement to determine primary (business) and secondary (geographical) reporting segments of the Company. The standard did not have any impact on the segment presentation. However, there are additional disclosure requirements shown within these Notes.

- IFRIC 9 Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement
  These amendments to IFRIC 9 require an entity to assess whether an embedded derivative must be separated from a host contract when the entity reclassifies a hybrid financial asset out of the fair value through profit or loss category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. IAS 39 now states that if an embedded derivative cannot be reliably measured, the entire hybrid instrument must remain classified as at fair value through profit or loss.

- IFRIC 13 Customer Loyalty Programmes
  This Interpretation requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted and therefore part of the fair value of the consideration received is allocated to the award credits and deferred over the period that the award credits are fulfilled. This interpretation did not have any impact on the Company's financial statements as no such schemes currently exist.

- IFRIC 15 Agreement for the Construction of Real Estate
  The interpretation has been applied retrospectively. It clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognized if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Furthermore, the interpretation provides guidance on how to determine whether an agreement is within the scope of IAS 11 or IAS 18. IFRIC 15 did not have any impact on the consolidated financial statement because the Company does not conduct such activity.

Notes to consolidated financial statements

- IFRIC 16 Hedges of a Net Investment in a Foreign Operation
  The interpretation was applied prospectively. IFRIC 16 provides guidance on the accounting for a hedge of a net investment. As such it provides guidance on identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment, where within the group the hedging instruments can be held in the hedge of a net investment and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. IFRIC 16 did not have any impact on the financial position or performance of the Company, as the Company has not entered into hedges.

Improvements to IFRSs
In May 2008 the Board issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Company.

- IAS 1 Presentation of Financial Statements: Assets and liabilities classified as held for trading in accordance with IAS 39 Financial Instruments:
  Recognition and Measurement are not automatically classified as current in the balance sheet.

- IAS 8 Accounting Policies, Change in Accounting Estimates and Errors:
  Clarification that only implementation guidance that is an integral part of an IFRS is mandatory when selecting accounting policies.

- IAS 10 Events after the Reporting Period:
  Clarification that dividends declared after the end of the reporting period are not obligations.

- IAS 16 Property, Plant and Equipment:
  Replace the term ‚net selling price‘ with ‚fair value less costs to sell‘.
  Items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale.

- IAS 18 Revenues:
  Replacement of the term ‘direct costs‘ with ‘transaction costs‘ as defined in IAS 39.

- IAS 19 Employee Benefits:
  Revised the definition of ‘past service costs‘, ‘return on plan assets‘ and ‘short term‘ and ‘other long-term‘ employee benefits. Amendments to plans that result in a reduction in benefits related to future services are accounted for as curtailment.
  Deleted the reference to the recognition of contingent liabilities to ensure consistency with IAS 37.

- IAS 20 Accounting for Government Grants and Disclosures of Government Assistance:
  Loans granted in the future with no or low interest rates will not be exempt from the requirement to impute interest. The difference between the amount received and the discounted amount is accounted for as government grant. Also, revised various terms used to be consistent with other IFRS.

- IAS 23 Borrowing Costs:
  The definition of borrowing costs is revised to consolidate the two types of items that are considered components of ‚borrowing costs' in to one - the interest expense calculated using the effective interest rate method calculated in accordance with IAS 39.

- IAS 27 Consolidated and Separate Financial Statements:
  When a parent entity accounts for a subsidiary at fair value in accordance with IAS 39 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale.

- IAS 28 Investment in Associates:
  If an associate is accounted for at fair value in accordance with IAS 39, only the requirement of IAS 28 to disclose the nature and extent of any significant restrictions on the ability of the associate to transfer funds to the entity in the form of cash or repayment of loans applies.
  An investment in an associate is a single asset for the purpose of conducting the impairment test. Therefore, any impairment test is not separately allocated to the goodwill included in the investment balance.

- IAS 29 Financial Reporting in Hyperinflationary economies:
  Revised the reference to the exception to measure assets and liabilities at historical cost, such that it notes property, plant and equipment as being an example, rather than implying that it is a definitive list. Also, revised various terms used to be consistent with other IFRS.

- IAS 31 Interest in Joint Ventures:
  If a joint venture is accounted for at fair value, in accordance with IAS 39, only the requirements of IAS 31 to disclose the commitments of the venturer and the joint venture, as well as summary financial information about the assets, liabilities, income and expense will apply.

- IAS 34 Interim Financial Reporting:
  Earnings per share are disclosed in interim financial reports if an entity is within the scope of IAS 33.

- IAS 36 Impairment of Assets:
  When discounted cash flows are used to estimate ‚fair value less cost to sell' additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate 'value in use'.

Notes to consolidated financial statements

- IAS 38 Intangible Assets:
  Expenditure on advertising and promotional activities is recognized as an expense when the Company either has the right to access the goods or has received the service.
  The reference to there being rarely, if ever, persuasive evidence to support an amortization method of intangible assets other than a straight-line method has been removed.

- IAS 39 Financial Instruments: Recognition and Measurement:
  Changes in circumstances relating to derivatives are not reclassifications and therefore may be either removed from, or included in, the 'fair value through profit or loss' classification after initial recognition. Removed the reference in IAS 39 to a 'segment' when determining whether an instrument qualifies as a hedge. Require the use of the revised effective interest rate when remeasuring a debt instrument on the cessation of fair value hedge accounting.

- IAS 40 Investment Property:
  Revision of the scope such that property under construction or development for future use as an investment property is classified as investment property. If fair value cannot be reliably determined, the investment under construction will be measured at cost until such time as fair value can be determined or construction is complete. Also, revised of the conditions for a voluntary change in accounting policy to be consistent with IAS 8 and clarified that the carrying amount of investment property held under lease is the valuation obtained increased by any recognized liability.

- IAS 41 Agriculture:
  Removed the reference to the use of a pre-tax discount rate to determine fair value. Removed the prohibition to take into account cash flows resulting from any additional transformations when estimating fair value. Also, replaced of the term 'point-of-sale costs' with 'costs to sell'.

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
  Paragraphs 8A and 36A were added.

- IFRS 7 Financial Instrument: Disclosures:
  Removal of the reference to 'total interest income' as a component of finance costs.

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 (see Litigation), 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. The Company also made changes in the presentation of the cash flow statement. The Company made reclassifications within the cash flow statement for the ICE investigation. The comparative Q1 2008 figures for the income statement and cash flow statement were reclassified accordingly.

The final purchase price allocation of goodwill and assets acquired in the STECO purchase was determined through an external independent valuation. Accordingly, the accounting of the fair values for the business combination has been finally determined and led to an increase of US $1.4 million of goodwill.

The Company has adopted IFRS 8 “Operating Segments“ and has changed its segment measurement from income from operations to EBITDA. The following tables present revenue and EBITDA information regarding the Company's operating segments for Q1 2009 and Q1 2008, respectively.

US $ in thousands	Continuing Operations		Unallocated	Q1 2009 Total
	RPC Management Service	Pallet Management Service	Corporate	
Third party revenues	84,123	85,733	–	169,856
EBITDA	19,535	6,516	(1,863)	24,188
Net finance costs				(6,242)
Depreciation expense				(9,163)
Amortization of other assets				(284)
Stock-based compensation expense				(120)
Foreign currency gain				1,146
Nonrecurring items				(3,734)
Profit from continuing operations before taxes				**5,791**

US $ in thousands	Continuing Operations		Unallocated	Q1 2008 Total
	RPC Management Service	Pallet Management Service	Corporate	
Third party revenues	70,527	97,280	–	167,807
EBITDA	15,713	8,260	(1,688)	22,285
Net finance costs				(5,946)
Depreciation expense				(10,604)
Amortization of other assets				(171)
Stock-based compensation expense				(42)
Foreign currency loss				(122)
Nonrecurring items				(911)
Profit from continuing operations before taxes				**4,489**

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 SYSTEMS, 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.

Imprint

Editor	IFCO SYSTEMS N.V., Amsterdam, Netherlands
Editorial department	Investor Relations, Marketing Department
Business year	2009/01/01 – 2009/12/31
Design, type composition	Milch design GmbH, Munich, Germany
Printing, lithographic print	Esta Druck GmbH, Polling in Obb., Germany Printed in Germany

If you like to order additional copies of this annual report in German or English or if you like to read these reports and up-to-date shareholder information, please visit us at:
http://www.ifcosystems.de or http://www.ifcosystems.com

Headquarters	IFCO SYSTEMS N.V. Evert van de Beekstraat 310 1118 CX Schiphol Centrum Netherlands

Contact information for shareholders, analysts and the media

E-mail	ir@ifcosystems.com
Phone	+49 89-744 91 0
Fax	+49 89-744 767 316

IFCO SYSTEMS supports the use of paper from sustainable forestry. The pages of this quarterly report are made of PEFC certified cellulose. PEFC (Programme for the Endorsement of Forest Certification schemes) is the largest independent organization worldwide for securing and continuously improving a sustainable forest management and it guarantees ecological, social and economic standards. Currently there are 215 million hectares of PEFC certified forest worldwide.

PEFC/04-31-1180