

GRIFOLS

Grifols leads global sales of IVIG and A1P1 (used to treat pulmonary emphysema) after Talecris acquisition

Grifols' sales increase by 7,7% in constant currency terms in 2011 to 2,300 million euros¹

- **88,6% constant currency (cc) growth in reported² sales to 1.795,6 million euros**
- **Adjusted³ EBITDA grows 6,4% to 630,8 million euros, a margin of 27,4% over pro-forma¹ sales**
- **Net adjusted³ profit reaches 233,6 million euros and 10,1% over pro-forma¹ sales**
- **60% of pro-forma¹ sales are generated in U.S and Canada, 26% in Europe and the remaining 14% in South America and Asia**
- **Geographic diversification reduces exposure to Spain**
- **The identification of manufacturing synergies, corporate and marketing structures' optimization and teams' integration, achieved in December 2011, main working areas of the new Grifols.**

Barcelona, February 28, 2012.- Grifols (MCE:GRF, MCE:GRF.P y NASDAQ:GRFS).

Grifols, the third-largest company in the world in the production of plasma-based biological pharmaceuticals, as well as world leader by sales of immunoglobulins (IVIG) and A1PI used to treat pulmonary emphysema, closed 2011 with pro-forma¹ revenues of 2,302.7 million euros, an increase of 7.7% at constant currency rate (cc), and 4.6% considering the foreign exchange impact. Currency volatility, a result of the uncertainty surrounding growth in the main global economies, had a negative impact on Grifols' results, although the geographical diversification of the Group's sales has mitigated and neutralised the majority of this impact.

It is worth noting the favourable sales performance of each of the individual divisions, although the purchase of Talecris has changed the weight of each division's contribution to total Group revenues, generating a new sales structure based on the source of the sales. Grifols' organic growth has therefore continued over the year, and the increase in sales volumes have been maintained across the board for all divisions, with a positive trend.

In 2011, in pro-forma¹ terms, sales in the Bioscience Division rose by 3.1% to 2,031.3 million euros, accounting for over 88% of total turnover. Diagnostic Division turnover increased by 7.6% to 117.4 million euros, while Hospital Division grew by 6.5% to 95.4 million euros. As anticipated, the contribution from both divisions to global sales fell to 5.1% and 4.1%, respectively, stating the changes in each division's relevant weight compared to total Group sales. Raw Materials & Others Division, which accounts for approximately 3%, increased its

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sales to 58.6 million euros, due to the reclassification of royalties previously included in Bioscience and the allocation to this division of revenues resulting from the agreements with Kedrion consequence of the acquisition.

The acquisition also gave rise to a change in the geographical distribution of the Group's revenues. During 2011 90% of Grifols activity was undertaken in foreign markets, where turnover totalled 2,069.4 million euros and growth was over 5.1%. Spain's relative weight fell to 10% on pro-forma¹ basis, generating turnover of 233.2 million euros.

In terms of country mix, recurrent revenues (excluding Raw Materials) in the United States and Canada, rose by 3.5% to 1,364 million euros and accounted for almost 60% of turnover during the year. Europe generated 25.6% of recurrent revenues (excluding Raw Materials), totalling 588.6 million euros up almost 1.5% despite the current economic situation, mainly due to increased market shares in countries such as Germany and Portugal, among others. Sales continued to grow in other geographical areas, which generated approximately 14% of pro-forma¹ sales. The positive outlook in countries such as Brazil and China is also of note.

Finally, international business was boosted with by the incorporation of Canada as a significant market and, in commercial terms, the consolidation of the representative office in Shanghai (China) and the subsidiaries in Colombia and Sweden, operating from the end of 2010. Grifols is currently present in 100 countries, and has its own commercial subsidiaries in 24 countries.

Sales performance: Reported² results

Grifols sales reported in its audited financial statements, including the results of the acquired company from June 2011 (seven months), the first month of consolidation, reached 1,795.6 million euros, an increase of 88.6% at constant exchange rate (cc). Considering the exchange rate impact, growth was 81.2%.

From a divisional perspective, and with seven months of joint activity, sales in the Bioscience Division for 2011 rose by 98% to 1,531.2 million euros, accounting for over 85% of total turnover. Diagnostic Division turnover increased by 7.6% to 117.4 million euros, while Hospital Division grew by 6.5% to 95.4 million euros. As anticipated, the contribution from both divisions to global sales fell to 6.5% and 5.3%, respectively. Raw Materials & Others Division, reported sales of 51.7 million euros.

In terms of country mix, recurrent revenues in the United States and Canada, rose by 180.7% to 948.7 million euros and accounted for almost 53% of reported² revenues including seven months of joint activity. Europe generated 30% of recurrent reported² revenues, totalling 526.6 million euros up 22%, and sales in other geographical areas kept its upward trend with 34% increase, totalling approximately 290 million euros.

The reported² figures also state the reduction of the relative weight of Spanish sales to 13% within the Group revenues compared to 23% in 2010. 87% of Grifols recurrent reported² activity occurred in the international markets where revenues reached 1,565 million euros with a growth rate over 105%.

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Profit and Margins

Policies to contain costs remained a constant throughout the year, although the increase in raw material (plasma) prices, the negative contribution of the price factor over revenue trends and the impact of healthcare reforms on comparable values, with limited impact in 2010 have had a direct effect on gross margin and EBITDA.

Grifols pro-forma¹ adjusted³ EBITDA rose by 6.4% to 630.8 million euros, a 27.4% margin over sales. Grifols posted pro-forma¹ adjusted³ net profit of 233.6 million euros, representing a 10.1% over pro-forma¹ sales and decreasing by 19.8%.

Adjusted³ reported² EBITDA, including seven months of joint activity rose by 73.5% to 472.8 million euros, standing at 26.3% of sales. Considering the transaction costs inherent to the acquisition of Talecris and other non-recurring costs, reported² EBITDA would total 369.5 million euros, a 44.6% increase compared to 2010 EBITDA and representing a margin of 20.6% over sales.

Grifols is naturally hedge against the fluctuations of the U.S. Dollar, the currency where the group has its largest level of exposure.

Adjusted³ net profit reported² by Grifols rose by 13.6% to 144.7 million euros, accounting for 8.1% of revenues. Considering transaction costs incurred on the acquisition and other non-recurring expenses, the net profit generated during the year totals 50.3 million euros, accounting for 2.8% of sales and down 56.4% compared to 2010.

The foreseeable improvement in operating margins, due to the achievement of some of the synergies considered in the integration plan, has not been fully reflected in 2011 financial statements, although there will be an impact in the medium term. The initiatives implemented in this respect include the integration under one management of all the plasma procurement centres in the United States, as well as other production-related operating improvements, such as the FDA approval granted for the use of an intermediate product (Fraction II+III) from the Los Angeles Plant in the purification of IVIG at the Clayton plant (Gamunex®). Both initiatives will contribute to enhanced efficiency, as well as to the positive trend in margins.

The purchase of Talecris has given rise to a new financing structure and an increase in reported² net finance result which, as forecast, totalled 197.8 million euros at the end of 2011. This rise is due to the resources captured through the senior financing agreements and the bonds issued to cover part of the acquisition payment for Talecris, and also include the amortization of capitalised costs relating to the Group's debt.

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Grifols 2011 Pro-forma¹ Results

<i>(Million Euros)</i>	12M2011	12M2010	% VAR.	% VAR. CC
Sales	2,302.6	2,200.8	4.6%	7.7%
<i>Bioscience Division</i>	2,031.3	1,969.5	3.1%	6.4%
<i>Diagnostic Division</i>	117.4	109.0	7.6%	8.4%
<i>Hospital Division</i>	95.4	89.5	6.5%	6.7%
<i>Raw Materials & Others Division</i>	58.6	32.6	79.8%	87.1%
EBITDA ADJUSTED³	630.8	592.6	6.4%	
<i>% of sales</i>	27.4%	26.9%		
NET PROFIT ADJUSTED³	233.6	291.4	-19.8%	
<i>% of sales</i>	10.1%	13.2%		

Grifols 2011 Reported² Results

<i>(Million Euros)</i>	12M2011	12M2010	% VAR.	% VAR. CC
Sales	1,795.6	990,7	81,2%	88,6%
<i>Bioscience Division</i>	1,531.2	773.3	98.0%	107.0%
<i>Diagnostic Division</i>	117.4	109.0	7.6%	8.4%
<i>Hospital Division</i>	95.4	89.5	6.5%	6.7%
<i>Raw Materials & Others Division</i>	51.7	18.7	176.2%	189.6%
EBITDA	369.5	255.4	44.6%	
<i>% of sales</i>	20.6%	25.8%		
EBITDA ADJUSTED³	472.8	272.5	73.5%	
<i>% of sales</i>	26.3%	27.5%		
NET PROFIT	50.3	115.5	-56.4%	
<i>% of sales</i>	2.8%	11.7%		
NET PROFIT ADJUSTED³	144.7	127.4	13.6%	
<i>% of sales</i>	8.1%	12.9%		

2.- The acquisition of Talecris changes Grifols' balance sheet

On 2 June 2011 Grifols completed the acquisition of Talecris announced a year earlier, having obtained approval for the transaction from all relevant institutions and bodies, including the Federal Trade Commission, the US agency responsible for the civil enforcement of anti-trust laws. The Group purchased 100% of the US company's shares, which totalled approximately US Dollars 3,700 million (Euros 2,600 million), although the total value of the transaction, including Talecris' net debt, amounted to approximately US Dollars 4,000 million (Euros 3,300 million). This acquisition, one of the most successful and significant corporate transactions of the year, demonstrated Grifols' firm commitment to the long-term growth of the Group also through acquisitions.

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Assets

At 31 December 2011 total consolidated assets amount to 5,807.7 million euros, compared to 1,889.0 million euros reported at 31 December 2010.

The net increase in property, plant and equipment, totalling over 341 million euros, reflects the assets acquired from Talecris and includes the plasma fractionation plant located in Clayton (North Carolina) and various plasmapheresis centres.

The estimated fair values of the assets acquired have been adjusted progressively since June 2011. Taking into account the latest adjustments and fluctuations in the exchange rate, which have translated in progressive increases over the seven months of consolidation, intangible assets stand at 2,903.4 million euros, with goodwill of 1,895.1 million euros at 31 December 2011, which includes the allocation of the purchase price between the different types of assets and liabilities. The valuation of intangible assets stands at 1,008.3 million euros. These estimates are in line with the latest reported quarterly results and should be fairly accurate given the various reviews that have already been made but still remain provisional.

At 31 December 2011 working capital has clearly improved, both with respect to receivables and inventories, the latter of which totals 1,030.3 million euros, with a turnover of approximately 300 days. This trend began in the first quarter and has continued throughout the year as planned, although it will be progressively consolidated in the medium and long term as a result of the acquisition of Talecris.

During 2011 Grifols continued with its practice of selling receivables without recourse to third parties and sold 157 million euros of receivables. The Company also sold certain assets previously owned by Talecris to comply with the terms required by the Federal Trade Commission to approve the transaction.

Liabilities: Net financial debt stands below estimates for 2011

At 31 December 2011 Grifols' net financial debt stood at 2,738.2 million euros, with a cash position of 340.6 million euros. Consequently, the ratio of net financial debt with respect to adjusted³ EBITDA was 4.3 times falling to 3.9 times adjusted³ EBITDA if the Euro-Dollar exchange rate prevailing at the date on which the acquisition was completed is applied. Both ratios are below the 5.2 times initially estimated at the completion date. The Company estimates that the financial debt ratio will return to the debt levels preceding the acquisition of Talecris once the expected synergies are obtained.

Cash flows increased on the short term over the seven months of reported consolidated results, enabling the Group to quickly reduce its leverage.

The geographical redistribution of sales following the acquisition of Talecris will increase the Group's exposure to countries with lower collection periods, helping to optimise short-term financing needs and improve working capital. Grifols' Spanish sales fell to 13% in 2011 (10% of pro-forma¹ sales), compared with 23% in 2010.

Before completing the acquisition of Talecris, and throughout the year Grifols also carried out a number of sale & lease-back (SLB) transactions, which enabled the group to optimise equity and increase liquidity to partially cover the payment for Talecris. The properties subject to these transactions included part of the installations located in Los Angeles and Clayton (United States), the head office in Sant Cugat (Barcelona-Spain) and certain installations in Las

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Torres de Cotillas (Murcia-Spain), and have enabled the group to obtain approximately 160 million euros net.

Finally, in the second half of 2011 the credit rating agencies Moody's and Standard & Poor's confirmed the ratings initially assigned to Grifols' secured senior debt, Ba3 and BB respectively. Moody's maintained its B3 rating for the Company's unsecured senior debt, assigning a global corporate group long-term credit rating of B1. Standard & Poor's kept the B rating for the Company's unsecured senior debt and its corporate rating on BB- with a positive outlook.

The confirmation of these ratings, as well as emphasizing the Group's financial transparency, helps to sustain the trust and confidence of the main agents operating in the financial and capital markets. Both credit rating agencies have taken into account the Group's high degree of integration, the projected synergies and strengthened position in the plasma derived proteins' market deriving from the acquisition of Talecris, and the numerous barriers to the entry of new competitors into the sector. Among them, the highly capital-intensive nature of the business model and the rigorous regulatory framework. Other factors taken into consideration by the credit rating agencies include the sector's positive growth outlook despite the global economic uncertainty.

Equity

The acquisition of Talecris has notably increased the Group's equity, due to the issue of a new class of non-voting (Class B) Grifols share to cover the non-monetary portion of the payment. At 31 December 2011, Grifols had equity of 1,665.0 million euros, representing an increase of over 900 million euros compared with 707.4 million euros reported at 31 December 2010.

The new share issue, approved by the shareholders in 2010, not only increased the Company's share capital but also the share premium reserve, which stands at 890.4 million euros. At the ordinary general meeting held in 2011 Grifols' shareholders approved the allocation to reserves of the entire 2010 net profit, but the Company continued to seek alternative means to the distribution of cash dividends to remunerating shareholders. Along this line, a bonus issue of Class B shares was proposed by the Group and ratified by the shareholders at an extraordinary general meeting held on 2 December 2011. These shares have been issued to remunerate shareholders through a new share capital increase with a nominal amount of 2.97 million euros.

Prior to year end the Company issued 29,687,658 new non-voting (Class B) shares with a par value of Euros 0.10 each, without a share premium and charged against voluntary reserves. Each Grifols shareholder received one new Class B share for every 10 old shares held, irrespective of whether these were Class A or Class B shares. This initiative enabled Grifols to honour its commitment to its shareholders and increase the liquidity of non-voting (Class B) shares.

Following the two share capital increases during the period, at 31 December 2011 the share capital of Grifols totals 117.9 million euros and is represented by 213,064,899 ordinary shares (Class A) and 113,499,346 non-voting shares (Class B).

In 2011 Grifols' non-voting (Class B) shares were listed and started trading on the Spanish stock exchange electronic trading system (GRF.P) and on the U.S NASDAQ stock exchange (GRFS) through ADSs (American Depositary Shares). Grifols' ordinary (Class A) shares have

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been listed on the Spanish stock exchange electronic trading system since 2006, and have been a component of the Ibex-35 (GRF) since 2008.

3.- CAPEX as growth strategy

Implementation of capital investment (CAPEX) plans in 2011 and announcement of a new plan for the 2012-2015 period

During the year, work has continued as part of the Company's investment plan (CAPEX) to extend and improve its manufacturing facilities as planned. The total amount earmarked for these investments was 160 million euros.

Two of the main investments have been the start of a new plasma fractionation plant at Parets del Vallès (Barcelona, Spain), with fractionation capacity of 1 million litres/year (potential to expand up to 2 million litres/year), and the beginning of the validation process of the installations to produce Fibrin Glue® in Spain. In the United States, specifically in Los Angeles, major investments have been made at the new Albumin production plant, the IVIG purification plant as well as in the thawing area of the purification plant of coagulation factors. Work has also continued on the new plasma fractionation plant acquired in Clayton, where improvements for better plant maintenance have been introduced and several areas have been expanded. Grifols' testing centre in Texas (US), that includes the laboratories in San Marcos and Austin, have also benefitted from the investment plan.

Following FDA approval of the last phase in January 2012, the facilities can analyze up to 25,000 samples per day. In 2011 phase III of the production facility in Murcia was completed, whereby Grifols gained a new plant for manufacturing plastic-packaged parenteral solutions, The Grifols Academy was inaugurated in Barcelona (Spain), providing a centre for advanced training in all processes related to the production of plasma derived proteins.

In terms of the Company's future outlook, at the annual meeting with investors and analysts held in Barcelona (Spain) in the last quarter of 2011, details were announced of a new investment plan to 2015, involving expenditure of approximately US Dollars 964 million (Euros 700 million). 84% of these funds will be absorbed by the Bioscience Division whilst around 5% will be earmarked for the Diagnostic and Hospital Divisions and the balance invested in the corporate facilities.

The aim of this new investment plan is to continue progressively expanding Grifols' production capacity in Spain and the United States, as well as to maintain the Company's policy for the early detection and management of the Group's future production requirements, so that expected market growth can be met. Accordingly, plans are in place to extend in a coordinated manner both the Company's plasma fractionation facilities and its installations for purifying the different intermediates used to produce plasma derived proteins. Part of the investment will also be used to expand and relocate plasma donation centres and to enhance the logistics centres.

Grifols expects its plasma fractionation capacity to exceed 12 million litres/year by 2016. Furthermore, it expects to practically double its current capacity for the purification of intravenous immunoglobulin (IVIG), the plasma protein sold by Grifols under the brand names Flebogamma®, Flebogamma DIF® and Gamunex®. The investment plan also includes extension of the installations used to purify Albumin, FVIII, plasmin and other plasma derived proteins.

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The implementation of this joint investment plan will generate savings of more than US Dollars 280 million by 2015 when compared to the plans originally held by both companies on a stand-alone basis.

Increase of resources earmarked for R&D

In 2011, which included seven months of joint activity, Grifols invested 89.4 million euros in R&D, up 119% compared to 40.7 million euros spent in 2010. R&D represented 5% of sales. On a pro-forma¹ basis, over 118 million euros were invested in R&D, with a similar ratio over sales of 5%.

The acquisition of Talecris has complemented the Group's substantial R&D project portfolio, ensuring a research activity in the long term of outstanding quality.

The new Grifols organisation has a large number of patents and projects underway, more than ten of which are already past the preclinical development phase. Among the most important of these projects are the clinical trial for the use of plasmin (new plasma derived protein) in treating acute peripheral arterial occlusion, clinical trials that could endorse new uses for Antithrombin in coronary surgery (cardiopulmonary bypasses) and severe burns, and the studies in progress to determine the use of Fibrin Glue® in different types of surgery. This plasma-derived product accounted for 3% of world wide haemoderivative sales in 2010.

A new medical study commenced in 2011 to find a possible treatment for Alzheimer's disease by combining therapeutic plasmapheresis with Albumin and IVIG. Another significant development in 2011 was Grifols' membership of the Spanish Alliance for Health Research and Innovation (ALINNSA). In addition Grifols' researchers continue to collaborate with external experts in different medical fields to assist in identifying and validating new objectives.

Lastly, in 2011 Grifols announced that it will step up its activity in other fields with future projection, such as regenerative medicine, with the creation of joint ventures participated by Gri-Cel, a group company focused on these activities. Also through agreements to use patents owned by third parties. One example of this kind of agreement is the one signed with the Universitat Autònoma of Barcelona and the Institut Germans Tries i Pujol.

4.- Divisional performance

As mentioned at the beginning of this report, the acquisition of Talecris in 2011 has led to substantial changes in the weight of the different business areas within Grifols' total revenue.

Bioscience: 88.3% of pro-forma¹ sales

The majority of sales took place on international markets, mainly in the United States, where the Group has gained market share since its recent acquisition, and where sales grew by 7.7% at constant rates (3.1% including foreign exchange impact) on a pro-forma¹ basis. It is worth noting the particularly flexible reorganisation of the sales force in this market, incorporating mixed sales units (comprising both marketing and sales) and product-line specific units for immunology, pulmonary and coagulation factors (factor VIII, factor IX, antithrombin) that has enabled Grifols to position itself as a leader in the sector in the United States and Canada, not only among healthcare professionals, but also among patients' associations and group purchasing organizations (GPOs).

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The Group has also achieved significant growth in Latin America, where plasma derived proteins have been introduced in countries such as Colombia. Progress has also been made in Southeast Asia and China. This geographical diversification strategy has enabled Grifols to minimise the possible effects of austerity measures and healthcare spending cuts introduced in some countries, including Spain. Even in the current economic climate, the plasma protein sector has continued to grow and Grifols, the world's third-largest company in terms of production capacity, has continued to report rising sales volumes despite a negative price environment and an unfavourable Euro-Dollar exchange rate.

In 2011, Grifols' product range was extended to include the Talecris portfolio. This portfolio diversification, coupled with geographical expansion, has enabled the Group to adapt to the demands of patients and healthcare professionals with different requirements and preferences, bringing added value to its services.

Volume sales of all the plasma derived products marketed by the Group have performed well, with an 11% rise in intravenous immunoglobulin (IVIG) volumes on a pro-forma¹ basis in 2011. Flebogamma® 10% IVIG was launched in Europe and the introduction of this new generation of intravenous immunoglobulin will be completed when sales commence in Spain. This product is available in two concentrations (5% and 10%) to meet patients' needs more effectively. Although alpha-1 antitrypsin, which has represented an increasingly larger proportion of Grifols' product mix since the recent acquisition, experienced pro-forma¹ volume sales growth of around 6%, the Group continues with the gradual market penetration of this haemoderivative (Prolastin®) in Europe. Sales of other plasma proteins have remained stable, with notable recovery in albumin volumes in the second half of the year.

Moving on to raw materials, in 2011 Grifols became the world's leading company in terms of plasma collection capacity. The Group currently owns 147 donation centres in the United States, with the capacity to collect over 6.5 million litres of plasma each year, ensuring self-supply of the raw material needed for the production of plasma derivative biotherapeutic products. In 2011 5.8 million litres of plasma were collected in these centres.

Furthermore, since the purchase of Talecris in June 2011, raw material collection centres have been reorganised and a new operating structure introduced which is expected to lead to cost savings in the medium term.

Finally, Grifols' production capacity has also been extended by the recent acquisition. As of 2011 year end, the Group has three plants, two in the United States (Los Angeles and Clayton) and one in Spain (Parets del Vallès), with a maximum annual plasma fractionation capacity of 8.5 million litres.

Diagnostic Division: 5.1% of sales¹

The notably international nature of this business area, with over 70% of sales currently made outside Spain, has ensured organic growth. In 2011 a process of internal reorganisation and management optimisation was undertaken regrouping the Immunohaematology and Blood Bank branches into an area called Transfusion Medicine.

Exports of instruments to the United States, Europe and China have remained stable, and new markets have been opened up such as Saudi Arabia, Egypt and Switzerland, for sales of immunohaematology cards. A noteworthy achievement in this field is the distribution of a next-generation automatic blood group card processor (Erytra®), of which 50 units were

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manufactured in 2011, in Europe, Mexico, Brazil, Japan and Australia. Sales of the Q® haemostasis analyser were also consolidated in emerging markets such as Brazil and Turkey. A contract signed with a new distributor in Brazil for blood extraction and fractionation bags is expected to bring a considerable rise in sales in this country from 2012 onwards.

New versions of the software for the Q® haemostasis analyser were launched and development work continued on a new analyser with greater processing capacity.

In the reagents area for Immunohaematology, in 2011 new reagent cards and antibodies were launched which were developed specifically for the American market, where, since the recent acquisition, this division plans to increase its presence gradually by introducing new products.

Another growth opportunity is presented by the co-operation agreement signed with Novartis' diagnostics division for the sale of some of Grifols' main immunohaematology diagnostic products in the United States.

An agreement was also signed with the Japanese company Kainos, which will distribute Grifols' transfusion diagnostics systems in Japan. Specifically, this company will sell the WaDiana® and Erytra® instruments, which enable automatic processing of DG Gel® blood determination cards using gel agglutination technology, and other associated reagents, complementing Kainos' activities in the transfusion medicine field. This agreement allows the Diagnostic division to strengthen its position in Japan.

In 2012 the Group intends to maintain its strategy for third-party product sales and expects to boost growth through exclusive distribution agreements for various products.

Acquisitions present yet another growth front. Grifols has acquired 51% of the Swiss company Lateral-Medion for 9.5 million euros.

Hospital Division: 4.1% of sales¹

Although the majority of this division's sales are to the Spanish market, in recent years Grifols has begun to implement an internationalisation strategy to extend sales diversification also to this business area. The recent acquisition will allow the gradual introduction of products and services onto the North American market, where Misterium® Clean Rooms and Gri-fill® system projects have already commenced development in the Hospital Logistics area. However, manufacturing for third parties is still the main driver of the internationalisation process in this division, with growth of around 20% in its export activity. During the year a number of contracts have been signed with new customers, with manufacturing under these agreements commencing in January 2012.

As with the other divisions, the Group's strategy is to minimise the possible effects of healthcare spending cuts, particularly in Spain, which have hit this division hardest.

Once again in 2011 the Hospital Logistics area has been affected by a decline in investment in hospitals, even though sales in this line present growth in general terms. Notable achievements include the launch of ten new Misterium® Clean Room projects (nine in Spain and one in Portugal) and the development of StockKey®, a new automated system to optimise hospitals' healthcare material restocking processes. Also in the logistics area and as part of the exclusive agreement to distribute Health Robotics products in Spain, automation of the pharmacy service at Vall d'Hebron University Hospital in Barcelona has been completed with

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the assembly and start-up of an I.V. Station® robot. This project has reinforced Grifols' leading position in the provision of automation services.

Growth can also be observed in the other areas in this division. In the Intravenous Therapy Solutions area, approval has been granted for three devices to prepare solutions under sterile conditions, and the development of two formulations of a drug for treating bone diseases has been completed. Successes in Clinical Nutrition include the launch of a parenteral and the development of two new enteral diets.

Finally, the international expansion and geographical diversification strategy implemented in the Hospital division has also been boosted by agreements, including the contract signed in 2011 with CareFusion, a world-leading company in medical technology, which will distribute the BlisPack® system designed by Grifols to automate blister pack cutting and the electronic identification of drugs for hospital use in various European, Middle Eastern, African and Asian countries.

Raw Materials & Others

The Raw Materials and Others division has generated turnover of 51.7 million euros. The increase compared to 2010 figures is a result of the allocation of revenues from the agreements with Kedrion derived from the acquisition of Talecris and royalty income, previously included in Bioscience reclassified to this division.

5.- Other Management indicators

Corporate highlights

In 2011, Grifols made several changes to its corporate structure with a view to modifying and improving its management performance, including a reorganisation of the Audit Committee and the Appointments and Remuneration Committee.

Also from a corporate perspective, Grifols opened its new head office in Sant Cugat del Vallès (Barcelona-Spain) in June. The inauguration of the new headquarters coincided with the Group's 70th anniversary.

In November 2011, Grifols ADS's over Class B shares were added to NASDAQ Biotechnology Index.

After year end, Grifols successfully closed the negotiation to modify the conditions of the secured senior financing debt.

Awards to Grifols management

- ♦ 2011 Global Business Leader Award from the American Chamber of Commerce in Spain (AmCham), which was awarded to Víctor Grifols in recognition of the company's international growth drive.
- ♦ 2011 "Business Leader of the Year" award given by the Spain-U.S. Chamber of Commerce to Víctor Grifols for his professional career.

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- ♦ The Carles Ferrer Salat Prize for Internationalization (sponsored by Fomento del Trabajo Nacional, an independent business organisation that represents the Spanish Confederation of Entrepreneurial Organisations (CEOE) in Catalonia).
- ♦ Best Corporate Transaction of the Year prize, awarded by financial daily El Economista for the Talecris acquisition.
- ♦ The Institute for Financial Studies award for Financial Excellence in Corporate Communications.
- ♦ The awards presented by the Círculo de Empresarios (Association of Entrepreneurs) and the Wharton School of the University of Pennsylvania, in recognition of Grifols' international projection in recent years.

Environmental Management

In the first half of 2011 Grifols concluded its “2008-2010 Environmental Targets Programme”, meeting over 85% of the global targets and embarking on a new initiative: the “2011-2013 Environmental Programme” which has been updated to incorporate Talecris' activities with those of Grifols following last June's acquisition. In absolute terms, the inclusion of Talecris will double the number of environmental indicators to be reported, although Grifols believes that manufacturing synergies will translate into optimisation of waste management, reductions in certain waste products or generation of greater value from these products than initially forecast. Unifying production processes will also allow environmental efficiency measures on new projects to be standardised, as well as fostering good environmental practices within the facilities.

Some of the year's most significant achievements include the design and implementation of environmentally efficient production processes and optimisation of auxiliary installations. By implementing the initiatives described above, we hope to reduce electricity consumption by 1,700 MWh/year and natural gas consumption by 5,000 MWh/year.

The Group has also considered the specific environmental targets established for the North Carolina (US) facility, foremost among which is the annual reduction in water consumption by almost 100,000 m³, the 2,800 MWh cut in annual electricity consumption, and the implementation of environmental efficiency measures at the new fractionation building.

Firm commitment to human resources

At December 2011, Grifols' average accumulated headcount stood at 11,230 employees, an increase of 88% on 2010 as a result of the Talecris acquisition. Outside Spain the workforce grew by almost 150%, while 79% of Grifols employees were located abroad.

Today Grifols has become a benchmark for equal opportunity employment. With average seniority standing at over six years and a workforce whose average age is under 38, the gender split is even (46% men vs. 54% women).

One of Grifols' foremost corporate commitments is regarding health and safety in the workplace. In this sense the group has developed various initiatives aimed at achieving excellence and continuing to be a reference in the chemical sector. Among them, the standardisation of health and safety management system internationally or psychosocial

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studies and action plans for the Group companies performed during 2010 and 2011.

Training and development activities carried out in 2011 included reinforcing two key areas: continuing professional development in all aspects of quality and safety of plasma derived proteins and their related processes, and leadership and personal development programmes to reinforce cohesion within the teams.

Considerable effort has been made to support integration and consolidation within the organisation in 2011 following the Talecris acquisition. From a quantitative point of view, there has been growth in all basic indicators: training hours per employee, based on average headcount (now 30 hours/employee, two more than in 2010), total training hours, number of courses on offer, and number of course participants.

About Grifols

Grifols, with presence in more than 90 countries, is a global pharmaceutical company specializing in the Hemotherapy sector, the medical discipline that treats disease using blood components. The company's class A shares have been listed on the Spanish Stock Exchange (MCE:GRF) since 2006 and have been part of the Ibex-35 since 2008. In 2011, the company listed non-voting class B shares on the Mercado Continuo (MCE:GRF.P) and in NASDAQ-United States via ADRs (NASDAQ: GRFS).

Grifols is the third company worldwide in plasma protein therapies, in terms of capacity after the recent purchase of Talecris, with a balanced and diversified range of products. In upcoming years, the company will strengthen its leadership in the industry as a vertically integrated company, as a result of on-going investment plans. Grifols is the world leader in plasma collection with 147 plasma donor centers in the United States to ensure a continued and reliable supply of human plasma for the production of plasma therapies. In terms of production capacity (fractionation), Grifols owns and operates several plants in Spain and the United States that allow it to respond to the growing market demand. Grifols' sustained growth will be supported by a strong presence in the United States, Canada and Europe, where upcoming sales are expected to represent 53%, 7% and 26%, respectively.

DISCLAIMER

The facts and figures contained in this report which do not refer to historical data are "projections and forward-looking statements". The words and expressions like "believe", "hope", "anticipate", "predict", "expect", "intend", "should", "try to achieve", "estimate", "future" and similar expressions, insofar as they are related to Grifols Group, are used to identify projections and forward-looking statements. These expressions reflect the assumptions, hypothesis, expectations and anticipations of the management team at the date of preparation of this report, which are subject to a number of factors that could make the real results differ considerably. The future results of Grifols Group could be affected by events related to its own activity, such as shortages of raw materials for the manufacture of its products, the launch of competitive products or changes in the regulations of markets in which it operates, among others. At the date of preparation of this report Grifols Group has adopted the measures it considers necessary to offset the possible effects of these events. Grifols, S.A. does not assume any obligation to publicly inform, review or update any projections and forward-looking statements to adapt them to facts or circumstances following the preparation of this report, except as specifically required by law. The information and any opinions or statements made in this document regarding pro-forma figures have neither been verified by independent third parties nor audited; therefore no express or implied warranty is made as to the impartiality, accuracy, completeness or correctness of the information or the opinions or statements expressed herein.

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