

## Grifols increases its income by 11.4% to 358 million euros in the first six months of the year

*Net profit rose to 45.4 million euros, showing an increase of 183%  
The improvement in the gross margin was particularly noteworthy,  
representing 44.1% of sales and pushing EBITDA over 90.5 million euros, 30%  
higher than in the same period of 2006*

**Barcelona, August 29, 2007.** Grifols, a holding company specialized in the pharmaceutical-hospital sector and fourth in the world in the production of plasma derivatives, Grifols achieved turnover of 358 million euros in the first half of the year, representing an increase of 11.4% in comparison with the same period of 2006.

With regard to **this particular quarter**, and in comparable terms<sup>1</sup>, Grifols sales from April to June 2007 stood at 176 million euros, representing an increase of 10.7% in comparison with the same quarter of 2006 and an improvement of 8 percentage points in comparison with the first quarter of 2007.

During the first six months of the year, most noticeable feature was the significant improvement in the gross margin, which has risen from 41.1% of sales in 2006 to 44.1% in 2007, due both to the increase in prices of the main plasma products sold by the group through its *Bioscience* division, and to the price stability of its main raw material: plasma. The strategy undertaken by Grifols during recent years to create a vertically integrated business structure in which plasma comes mainly from its own plasmapheresis centers, not only allows the company to control the principal cost, but also gives it access to raw materials with high levels of safety, assurance and quality.

From this perspective, increasing the number of liters of plasma by bringing in new collection centers and by expanding existing centers in the United States emerges as one of the group's main short and medium-term priorities. During the first half of 2007, this strategy was reflected by the inclusion of four new centers. Grifols currently has 77 plasmapheresis centers in the United States, with a capacity of around 2 million liters of plasma a year.

The increase in the gross margin and the lower increase in operating costs gave the company EBITDA of 90.6 million euros, an increase of 29.6% in comparison to the first six months of 2006. This improvement means that EBITDA margin now represents more than 25% of sales.

---

<sup>1</sup> Omitted from the analysis of the second quarter are the non-recurring effects recorded in 2006 (for a total of 11.3 million euros) derived from plasma sales to third parties agreed by PlasmaCare, Inc before its purchase by Grifols in March 2006. The existing contractual obligation ended on 28 February 2007, from which point onwards all PlasmaCare's plasma has been allocated to group consumption.

# GRIFOLS

At the same time, accumulated net profit to June 2007 rose to 45.4 million euros, an increase of 183.5% over the previous year. However, this increase does not include the non-recurring costs as a result of paying dividends on non-voting shares, included as financial costs, which had a net effect of 17.6 million euros on the profit for the first half of 2006. In comparable terms, the profit for 2006 would have been 33.6 million euros and the increase for the first half of 2007 in comparison to the same period of 2006 would have been 35.5%.

Grifols has also reduced its leverage level. While the net financial debt to EBITDA ratio stood at 2.3 in December 2006, during the first half of 2007 it fell to 2.1.

## Sales trends by division:

- **Bioscience** continues to dominate, with turnover of 245.2 million euros until June 2007 and growth of 12% compared to the same period of 2006. These results reflect the increase both in volume and in price of Albumin, Factor VIII and Intravenous Immunoglobulin (IGIV), the main plasma products sold by the group, and also the upward trend in a plasma products market in which Grifols occupies fourth position.
- **Diagnostic** increased its growth rate in the hemostasis, immunology and immunohematology areas. Total turnover for the division rose to 41.6 million euros, an increase of 6.6% in comparison with the first six months of the previous year.
- **Hospital** is the division which recorded the highest growth rate to June 2007, thanks to the development of the Hospital Logistics area of the Spanish, Portuguese and Latin American market, with an increase of 126.7%, generating sales of almost 8.5 million euros. The division's income rose to 38.4 million euros, an increase of 21.1% in comparison with the same period of 2006.
- The **Raw Materials & Others** division, with turnover of 32.8 million euros, achieved growth of 3.14% compared to the same period of 2006. This division brings together the sales of intermediate products and raw materials (plasma) to third parties, with 8 million euros worth of this representing sales commitments already entered into by PlasmaCare before its purchase by Grifols in 2006.

# GRIFOLS

## First Half 2007 in numbers

In thousands of euros (000)	Q2 2007	% 2007 / 2006
<b>Total Income</b>	<b>358</b>	<b>11.4%</b>
<b>Bioscience Division</b>	245.2	12%
<b>Diagnostic Division</b>	41.6	6.6%
<b>Hospital Division</b>	38.4	21.1%
<b>Raw Materials</b>	32.8	3.1%
<b>EBITDA</b>	<b>90.6</b>	<b>29.6%</b>
<b>Net Profit</b>	<b>45.4</b>	<b>183.5%</b>

With regard to growth rates by geographical region, 122.1 million euros were generated in the United States, where turnover grew by 4.5% in comparison with the first six months of 2006. Spain and Portugal contributed 103.2 million euros to Grifols' total income during the first half (+18.1%) and Asia accounted for 12.8 million euros (+14.5%). Latin America contributed 25.5 million euros (+44.9%) thanks to the dynamism of the Hospital Logistics sales (Hospital division) and the increase in prices recorded for Bioscience products in this region.

The Bioscience division saw increased sales in Germany and the United Kingdom, with a significant part of the increase coming from higher prices. In particular, the average price of IVIG in Germany now exceeds levels in the United States.

## About Grifols

Grifols is a holding company specialized in the hospital-pharmaceutical sector and is present in more than 90 countries. Since May 2006 it has been quoted on the Spanish Mercado Continuo and is included in the Spanish index of medium-sized capitalization companies (IBEX MEDIUM CAP). It is the leading European company in plasma derivatives and the fourth largest producer in the world. Recent investments mean that Grifols will continue to strengthen its leadership in this industry as a vertically integrated company. In terms of raw materials, the company has ensured its supply of plasma with 77 plasmapheresis centres in the United States, while its fractionation capacity with manufacturing facilities in Barcelona (Spain) and Los Angeles (United States) will allow it to meet growing market needs.