

Bioscience sales increase 8.4% (at a constant currency) driven by 14.3% growth in the United States

At 487.8 million Euros, Grifols sales in the first half of 2010 increase 3.7%

- *Recurrent sales growth was 8.1%, excluding revenues of the Raw Materials division which decrease progressively as planned.*
- *IVIG sales worldwide were up 10.5% and albumin sales grew 17.5%, both at a constant currency.*
- *The EBITDA margin improved to 30.2% of sales. EBITDA was 4.8% higher reaching 147.6 million Euros.*
- *At 66.4 million Euros, net profit dropped 18.7% because of higher financial expenses.*
- *In line with the international diversification strategy, new subsidiaries were incorporated in Colombia and Sweden and a new representative office was opened in China.*

Barcelona, 29 July 2010. Grifols' sales in first-half 2010 reached 487.8 million Euros, 3.7% higher than in the same period last year, with currency fluctuations having a neutral impact. The upward trend in sales remained constant over the second quarter of the year. This positive trend was driven by several factors, most importantly by the geographical diversification strategy with more than 75% of the Company's revenues generated outside Spain. Growth in the first half of the year in regions such as Asia (49.1% at constant currency), the United States (14.5% at cc) and Latin America (3.3% at cc) reflect this strategy, whereas sales in Europe (0.5% at cc) remain stable despite budgetary pressures in several countries

The Group's main activities continued to show growth; the combined sales of the Bioscience, Diagnostic and Hospital divisions were up 7.3% at constant currency.

Plasma derivatives sales increased 8.4% at constant currency and the **Bioscience Division** continues to be the main growth driver, with sales at 30 June totalling 380.1 million Euros. Against a backdrop of unfavourable prices the double-digit growth in albumin and intravenous immunoglobulin (IVIG) sales is particularly worth mentioning, as well as the strong business performance in the United States where revenues grew 14.3% at cc. In addition, demand for plasma derivatives maintains a balanced evolution and countries such as China, Brazil, and Chile increase their contribution, thereby enabling the Group to be in line with the growth forecasts for the sector in the coming years in terms of the geographical sales mix.

Sales in the **Diagnostic division** were up 6.3% at cc, reaching 54.4 million Euros, and the Hospital division's revenues, at 45.1 million Euros, remained stable in comparison with same period last year. Meanwhile, and as expected, sales of the **Raw Materials & Others** division fell to 8.2 million Euros.

Total sales in the second quarter confirm the upward trend shown in the last three months of 2009. Grifols' sales in this period increased 4.2% at a constant exchange rate to 250.1 million Euros. Recurrent growth, at a constant exchange rate, excluding Raw Materials, was 8.5%.

Besides sales growth, Grifols continued to implement its cost savings and improvement policy in all business areas, making it possible to maintain the gross sales margin and, consequently, increase the EBITDA margin to 30.2% of sales versus 29.9% in the first six months of 2009. Accordingly, at 147.6 million Euros, EBITDA at 30 June was up 4.8%.

Financial expenses generated by the proceeds from the bond issue in 2009 continued to affect the Group's profit, as was the case in the first quarter of 2010. In June, net profit was 66.4 million Euros, 18.7% less than in the same period last year. Financial results also include a non-realised loss of 15.8 million Euros arising from futures contracts with Grifols shares as the underlying notional.

In the first six months of the year, Grifols generated positive cash flows of 67.7 million Euros thanks to improvement in working capital management in relation to receivables and inventories. Investments in this period were according to the foreseen plan and amounted to 54 million Euros.

In this first half of the year, the Company reduced its net debt by 31.5 million Euros (62.6 million at 2009 closing exchange rate) and, consequently, net financial debt at 30 June amounted to 530.1 million Euros. This implies a ratio of 1.9x EBITDA and underscores the solid balance sheet and Group's ability to fulfil future commitments.

The performance of all divisions was positive. The combined sales of the Bioscience Diagnostic, and Hospital divisions were up 7.3% at a constant currency.

The Group's operating income reflects the sales trend in all divisions, Grifols' sound positioning in the global haemoderivative market, and ongoing improvement in all production processes to increase efficiency. These pillars, jointly with international diversification and R+D will underpin future growth of all business areas.

- **Bioscience** revenues in the first half of 2010 accounted for 77.9% of the Group's total sales during this period, increasing 8.4% at cc to 380.1 million Euros on the back the sharp increase in the sales volumes of albumin (26.4%), IVIG (15.3%), and Factor VIII (7.5%).

Moreover, Grifols obtained the first approval for marketing its Flebogamma DIF (IVIG) in Latin America, specifically in Chile, and for Anbinex (Antitrombina III) in Argentina, both of which will contribute to increasing and diversifying plasma derivatives sales.

As to the Company's commitment to R+D, a new clinical study has been scheduled for the treatment of Alzheimer combining therapeutic plasmapheresis with albumin and intravenous immunoglobulin (IVIG). The study, due to begin in January 2011, will involve 300 patients, and follows on a study conducted with another 42 patients in collaboration with two hospitals in Spain and two in the United States, for which interim results have already been published. These results made it advisable to conduct the new clinical study.

Also worth mentioning are the completion of a new production facility for a biological glue, Fibrin Glue, and the start of validation processes expected to be completed in the

last quarter of 2011. The clinical trial for this product is expected to be completed in the second half of 2012.

- Revenues in the **Diagnostic** division increased 6.3% at cc to 54.4 million Euros in the first half of the year, generating more than 11% of Group sales. The key traits of this business area are its significant internationalisation and its many potential growth drivers. An important milestone in terms of organic growth is the start of operations of a new factory for the production of immunohaematology DG Gel® cards in Australia and the launch of Erytra®, new fully automated high capacity blood type analyser that was unveiled at the ISBT congress (June 2010, Berlin). Sales growth in this division was mainly driven by the good performance of the Blood Bank, which increased 19.1%, and the Hemostasis line which recorded 32.4% growth, both at cc.
- The activity of the **Hospital division** remained constant. At 45.1 million Euros, sales were down 0.2% year-on-year at cc. This division currently generates 9.3% of Grifols' total revenues. Since most of its sales are concentrated in the Spanish market, some of the products are being affected by the Royal Decree of June 2010 on additional discounts for Social Security. Hospital logistics business was affected by a decrease in hospitals' investments.

First Half 2010 figures

In million Euros	1H 2010	1H 2009	% 2010 / 2009
Total revenues	487.8	470.5	+3.7%
Bioscience Division	380.1	350.9	+8.3%
Diagnostic Division	54.4	50.8	+7.1%
Hospital Division	45.1	45.1	+0.2%
Raw Materials & Other	8.2	23.7	-65.5%
EBITDA	147.6	140.8	+4.8%
% of sales	30.2%	29.9%	
Net Profit	66.4	81.7	-18.7%
% of sales	13.6%	17.4%	

Quarter Highlights

The announcement of the Talecris acquisition is the most important milestone in the quarter.

On 7 June, Grifols announced the agreement for the acquisition of all Talecris shares for 3.4 billion dollars, paying 19 dollars in cash and 0.641 newly issued non-voting right shares for each Talecris share. The total value of the transaction, including net debt, is approximately 4 billion dollars.

The transaction will be concluded after receiving the approval of regulatory and anti-trust authorities and the respective authorisation of each company's shareholders, which should materialise in the second half of 2010.

The combination of Grifols and Talecris will strengthen the Spanish Group's diversification and the vertical integration of the business since, besides the significant geographical and product complementarities, the deal will boost its industrial capacity. Grifols' international presence will benefit from the strong presence of Talecris in the United States and Canada. In addition, the available production capacity of Grifols

installed in the United States will make it possible to increase Talecris' production over the short term, thereby enabling the group to meet the needs of a greater number of patients throughout the world.

The value of operating synergies stemming from the acquisition will total approximately 230 million dollars each year to be reached gradually and then consistently as of the fourth year. These synergies will be generated mainly as a result of the improved efficiency in the plasma collection centres' network and the optimisation of manufacturing resources, operating costs, and R+D.

According to Grifols' estimates, once the transaction is completed, its net financial debt/EBITDA ratio will be approximately 5x. Grifols, however, anticipates significant growth in cash flows in the short term following the merger. Combined with the expected synergies, this will make it possible to reduce debt levels quite rapidly. Net financial debt is expected to reach around 3x EBITDA at the end of 2012, and less than 2x by the end of 2014, even while maintaining the main investment programs.

Financing for the transaction is fully committed by a bank syndicate led by Deutsche Bank, Nomura, BBVA, BNP Paribas, HSBC and Morgan Stanley. The agreement is not subject to any financial contingency.

With the aim of facilitating access to financial and capital markets, after the first half 2010 closing, Grifols reported the results of the credit ratings awarded by the two leading agencies: Standard & Poor's and Moody's. Grifols, is one of the few Spanish companies awarded credit ratings and this will contribute to enhancing its transparency. The ratings for senior debt (BB and Ba3) will enable the Group to easily place the debt tranches included in the total and maximum guaranteed debt (4.5 billion dollars).

Other steps taken in the second quarter of 2010 shall allow Grifols to continue bolstering its main business lines and consolidating its commitment to R+D, shareholders, employees, and the environment:

- **Acquisition of intellectual property rights for PPS treatment**

Grifols acquired from Pharmalink the intellectual property rights for Post-polio syndrome (PPS) treatment with intravenous immunoglobulin (IVIG). This agreement includes patents for the United States, Europe, and Japan and will enable Grifols to have access to all the results obtained in the various clinical trials. Grifols will also be able to open new therapeutic areas in its clinical investigation projects.

- **Grifols executed a distribution agreement with Progenika Biopharma**

Grifols will be responsible for the international distribution of the new BLOODchip®, blood genotyping test developed by the Spanish company Progenika Biopharma. Executed at the end of the second quarter, this agreement will enable Grifols to strengthen its Diagnostic division and will contribute estimated sales of 50 to 100 million Euros over the next five years.

- **Grifols bolsters its international diversification**

By incorporating the new representative office in China (Shanghai) and subsidiaries in Colombia (Bogota) and Sweden (Stockholm), Grifols lays the groundwork for increasing its international diversification in regions expected to show significant growth over the coming years.

▪ Annual General Meeting

Approval of a total ordinary gross dividend of 0.281 per share charged to 2009 results. This implies a total 59.2 million in dividends, 21.5% more than in the previous year, and brings Grifols' pay-out to 40% of profit.

This dividend was broken down into two payments: 32.0 million Euros (0.153€ gross per share) was paid to shareholders on 18 December 2009 as an interim dividend. Accordingly the pending amount, 27.2 million Euros (0.128€ gross per share), was paid in a single payment on 1 July 2010.

About Grifols

Grifols is a Spanish holding company specialized in the pharmaceutical-hospital sector and is present in more than 90 countries. Since 2006, the company has been listed on the Spanish Stock Exchange ("Mercado Continuo") and is part of the Ibex-35. Currently it is the first company in the European sector in plasma derivatives and the fourth in production worldwide. In upcoming years, the company will strengthen its leadership in the industry as a vertically integrated company, thanks to recent investments. In terms of raw materials, Grifols has ensured its plasma supply with 80 plasmapheresis centers in the United States and in terms of fractionation, its plants in Barcelona (Spain) and Los Angeles (United States) will allow the company to respond to the growing market demand. Nevertheless, the company is preparing for sustained growth in the following 8-10 years and has launched an ambitious investment plan.

Disclaimer

This release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. The words "anticipate," "believe," "estimate," "expect," "intend," "will," "should" and similar expressions, as they relate to us, are intended to identify forward-looking statements. These statements reflect management's current beliefs, assumptions and expectations and are subject to a number of factors that may cause actual results to differ materially. These factors include but are not limited to: the unprecedented volatility in the global economy; the risk that the future business operations of Talecris will not be successful; the risk that we will not realize all of the anticipated benefits from our acquisition of Talecris; the risk that customer retention and revenue expansion goals for the Talecris transaction will not be met and that disruptions from the Talecris transaction will harm relationships with customers, employees and suppliers; the risk that unexpected costs will be incurred; the outcome of litigation and regulatory proceedings to which we may be a party; actions of competitors; changes and developments affecting our industry; quarterly or cyclical variations in financial results; development of new products and services; interest rates and cost of borrowing; our ability to protect our intellectual property rights; our ability to maintain and improve cost efficiency of operations, including savings from restructuring actions; changes in foreign currency exchange rates; changes in economic conditions, political conditions, trade protection measures, licensing requirements and tax matters in the foreign countries in which we do business; reliance on third parties for manufacturing of products and provision of services; and other factors that are set forth in the "Risk Factors" section, the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section and other sections of and Talecris' Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 filed with the Securities and Exchange Commission. Neither Grifols nor Talecris assume any obligation to update any forward-looking statements as a result of new information or future events or developments, except as required by law. Forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of Grifols.

GRIFOLS

The proposed merger transaction involving Grifols and Talecris will be submitted to the stockholders of Talecris for their consideration. In connection with the proposed merger, Grifols will file with the SEC a registration statement on Form F-4 that will include a joint proxy statement/prospectus of Grifols and Talecris. Talecris will mail the joint proxy statement/prospectus to its stockholders. Talecris urges investors and security holders to read the joint proxy statement/prospectus regarding the proposed transaction when it becomes available because it will contain important information regarding Grifols, Talecris and the proposed business combination. You may obtain a free copy of the joint proxy statement/prospectus, as well as other filings containing information about Talecris, without charge, at the SEC's website (<http://www.sec.gov>). You may also obtain these documents, without charge, from Talecris' website, <http://www.talecris.com>, under the tab "Investor Relations" and then under the heading "Financial Information and SEC Filings". Grifols will also file certain documents with the Spanish Comision Nacional del Mercado de Valores (the "CNMV") in connection with its shareholders' meeting to be held in connection with the proposed business combination, which will be available on the CNMV's website at www.cnmv.es.

Grifols, Talecris and their respective directors, executive officers and certain other members of management and employees may be deemed to be participants in the solicitation of proxies from the respective stockholders of Grifols and Talecris in favor of the merger. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the respective stockholders of Grifols and Talecris in connection with the proposed merger will be set forth in the joint proxy statement/prospectus when it is filed with the SEC. You can find information about Talecris' executive officers and directors in its Form S-1/A filed with the SEC on September 11, 2009. You can obtain free copies of this document from Talecris' website.

This press release is not an offer to sell or the solicitation of an offer to buy common stock, which is made only pursuant to a prospectus forming a part of a registration statement, nor shall there be any sale of common stock in any state in which such offer, solicitation or sale would be unlawful before registration or qualification under the securities laws of any such state. The Grifols shares have not been registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This document does not constitute an offer or invitation to purchase or subscribe shares, in accordance with the provisions of the Spanish Securities Market Law (Law 24/1988, of July 28, as amended and restated from time to time), Royal Decree-Law 5/2005, of March 11, and/or Royal Decree 1310/2005, of November 4, and its implementing regulations.